WORLD POLITICS

A Quarterly Journal of International Relations

Volume XXXVII, Number 4 July 1985

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

UNDER THE EDITORIAL SPONSORSHIP OF
CENTER OF INTERNATIONAL STUDIES
PRINCETON UNIVERSITY
PUBLISHED BY PRINCETON UNIVERSITY PRESS

EDITORIAL BOARD

KLAUS KNORR, *Chairman*

CHARLES R. BEITZ — ROBERT JERVIS
CYRIL E. BLACK — ANTHONY KING
A. JAMES GREGOR — ERNEST R. MAY
JERRY HOUGH — ROBERT C. TUCKER
AKIRA IRIYE — SAMUEL F. WELLS, JR.

Editors: HENRY S. BIENEN, CYRIL E. BLACK, RICHARD D. CHALLENER, KENNETH A. OYE, LYNN T. WHITE, III
ATUL KOHLI (*Review Articles*)
Associate Editors: NANCY BERMEO, L. CARL BROWN, STEPHEN F. COHEN, GERALD GARVEY, CHARLES ISSAWI, THOMAS R. ROCHON, PAUL E. SIGMUND, ROBERT L. TIGNOR
Executive Editor: ELSBETH G. LEWIN

The editors invite submission of articles (up to 10,000 words, including footnotes) bearing upon problems in international relations and comparative politics. Manuscripts and footnotes should be doublespaced throughout and submitted in duplicate, together with an abstract of approximately 125 words. Footnotes should only cite sources; they should be numbered consecutively and placed at the end of the manuscript. Address: WORLD POLITICS, Corwin Hall, Princeton, N.J. 08544.

Authors may expect to be notified of the editors' decision within three months from date of submission. Procedures for reviewing manuscripts are based on the anonymity of the author and the confidentiality of editors' and readers' reports. Editorial policy does not provide for informing authors of readers' evaluations or suggestions for improvement of rejected manuscripts. Statements of fact and opinion appearing in WORLD POLITICS are made on the responsibility of the authors alone and do not imply the endorsement of the editors or publishers. WORLD POLITICS does not accept manuscripts that have already been published, are scheduled for publication elsewhere, or have been simultaneously submitted to another journal.

Reprint permission: Permission to reproduce or translate material should be sought from Permissions Department, WORLD POLITICS, P.U.P., 41 William St., Princeton, N.J. 08540.

Subscriptions: WORLD POLITICS, P.U.P., 3175 Princeton Pike, Lawrenceville, N.J. 08648.

U.S. and Canada—Individuals: $16.50 per year; $26.50 for two years; $39.00 for three years. Institutions: $25.00 per year. Single copies: $7.50.

Foreign—Individuals: $20.50 per year; $33.00 for two years; $48.50 for three years. Institutions: $31.00 per year. Please add $3.50 per year for foreign postage and handling. Single copies: $9.50 plus $1.00 for postage and handling.

Back Issues: WORLD POLITICS is available in microfilm or xerographic copies from University Microfilms, Ann Arbor, Michigan 48106. Two years after publication, complete volumes are available in microfiche form from KTO Microform, Route 100, Millwood, N.Y. 10546. Individual issues in the current and two preceding volumes may be ordered from Princeton University Press, 3175 Princeton Pike, Lawrenceville, N.J. 08648.

Advertising: Advertising Dept., Princeton University Press, 41 William St., Princeton, N.J. 08540.

WORLD POLITICS is indexed by *ABC POL SCI, Book Review Index, Combined Retrospective Index Sets (CRIS), Combined Retrospective Index to Book Reviews in Scholarly Journals, 1886-1974 (RSJ), PAIS Bulletin, Social Science Index*, and *Monthly Periodical Index*; it is abstracted and indexed in *United States Political Science Documents, International Bibliography of Periodical Literature (IBZ),* and *International Bibliography of Book Reviews (IBR)*. Abstracts of articles also appear in *Book Review Digest, Historical Abstracts*, and *International Political Science Abstracts*.

Copyright © 1985 by The Trustees of Princeton University

WORLD POLITICS (ISSN 0043-8871). Published quarterly by Princeton University Press, 3175 Princeton Pike, Lawrenceville, N.J. 08648. July 1985, Vol. XXXVII, No. 4. Second Class postage paid at Trenton, N.J., and additional mailing offices. Send address changes to Princeton University Press, 3175 Princeton Pike, Lawrenceville, N.J. 08648. Printed in the United States of America by Princeton University Press.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

WORLD POLITICS

Vol. XXXVII • July 1985 • No. 4

CONTENTS

China's Soviet Watchers in the 1980s: A New Era in Scholarship — *Gilbert Rozman* 435

European Protectionism in Theory and Practice — *Miles Kahler* 475

Strategies of Economic Containment: U.S. Trade Relations with the Soviet Union — *Michael Mastanduno* 503

Requiem or New Agenda for Third World Studies? — *Tony Smith* 532

Review Articles

The Eighteenth Brumaire of General Wojciech Jaruzelski — *Richard Spielman* 562

The First Oil Regime — *Lawrence P. Frank* 586

The Persian Gulf — *Shaul Bakhash* 599

Index to Volume XXXVII 621

The Contributors ii

Abstracts iii

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE CONTRIBUTORS

GILBERT ROZMAN is Professor of Sociology at Princeton University. His recent books are *Population and Marketing Settlements in Ch'ing China* (1982) and *A Mirror for Socialism: Soviet Criticisms of China* (1985). He has edited *The Modernization of China* (1981) and *Soviet Studies of Premodern China* (1984).

MILES KAHLER is Associate Professor of Political Science at Yale University. He is the author of *Decolonization in Britain and France: Domestic Consequences of International Relations* (1984), and is currently editing a volume on the international debt crisis.

MICHAEL MASTANDUNO, a Ph.D. candidate in the Department of Politics at Princeton University, is currently Instructor of Government at Hamilton College.

TONY SMITH is Professor of Political Science at Tufts University. His publications include *The French Stake in Algeria, 1945-1962* (1978), *The Pattern of Imperialism: The United States, Great Britain, and the Late-Industrializing World since 1815* (1981), and *The End of European Empire* (ed., 1975). At present he is completing a work on the structure of Marxist-Leninist ideology entitled *Thinking Like a Communist*.

RICHARD SPIELMAN, Department of Political Science, University of California, Berkeley, is the author of *Poland's Rebellious Turning Point: December 1970 Reconsidered* (Institute of International Studies, Berkeley, forthcoming).

LAWRENCE P. FRANK is Associate Professor of Government at St. Lawrence University (Canton, New York).

SHAUL BAKHASH is the author of *The Reign of the Ayatollahs: Iran and the Islamic Revolution* (1984), and was a Fellow at Woodrow Wilson International Center for Scholars in 1984-1985.

Authorization to photocopy items for internal or personal use, or the internal or personal use of specific clients, is granted by The Trustees of Princeton University for libraries and other users registered with the Copyright Clearance Center (CCC) Transactional Reporting Service, provided that the fee of .05 per page is paid directly to CCC, 21 Congress St., Salem, MA 01970. 0043-8871/85 $0.00 + .05

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ABSTRACTS

China's Soviet Watchers in the 1980s: A New Era in Scholarship

By G. ROZMAN

As many as 2,000 articles per year in the social sciences and humanities are now published in China on the Soviet Union. The literature has expanded rapidly from uniform polemical newspaper articles to specialized studies in dozens of new journals. Lively debates and conflicting viewpoints can be found especially in the many journals to which foreigners do not normally have access. They discuss all periods of Soviet history, but especially the policy options in the 1920s and the reform currents of the 1980s. Optimists stress the Soviet history of rapid economic growth and the reform tendencies common to socialist economies. Pessimists point to ideological dogmatism and reluctance to decentralize. Many studies are directed at learning from the Soviet experience. All of the publications are useful for understanding the prospects for improved Sino-Soviet relations.

European Protectionism in Theory and Practice

By M. KAHLER

Since the mid-1970s, a "new, new protectionism" has appeared in Western Europe, an ideological defense of protectionism that differs from the older reality of interest-group determination and *ad hoc* exceptions to the rule of liberalized trade. Three schools or approaches to this new variant of protectionism—the Cambridge Economic Policy Group in Britain; an array of French neo-protectionists; and the German, Wolfgang Hager—share certain Keynesian assumptions in their efforts to delegitimate free-trade ideology. In other respects, particularly the source of the trade threat and the level—national or European—at which protection should be applied, these spokesmen diverge. The translation of these new ideas into practice is limited by national differences and by their attachment to particular political coalitions—in all cases, coalitions based on labor. If the new, new protectionism has an immediate influence on the trade regime, it is in the provision of a legitimating ideology for a new managed trading order.

Strategies of Economic Containment: U.S. Trade Relations with the Soviet Union

By M. MASTANDUNO

The growing literature on international economic sanctions has focused primarily on their use to influence the foreign or domestic behavior of a target state. Trade controls, however, can also be used for strategic purposes: to weaken the military capabilities of a target. An analytical framework for understanding this category of sanctions is presented by developing distinctions among three export control strategies—economic warfare, a strategic embargo, and tactical linkage. These strategies are placed in the context of current American trade policy toward the Soviet Union. The United States has attempted to practice all three strategies simultaneously. In view of existing domestic and international constraints, however, only a strategic embargo has the potential to be effective; economic warfare and tactical linkage are likely to fail. If the U.S. continues to attempt to carry out the latter two strategies, it may jeopardize the effectiveness of its strategic embargo.

Requiem or New Agenda for Third World Studies?

By T. SMITH

Neither the developmentalism proposed by American academics in the 1950s and 1960s, nor dependency thinking proposed by radical or nationalist analysts today, offers a satisfactory conceptual perspective from which to study the Third World. What can we learn from the failings of these approaches that can help to guide thinking about the Third World today?

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Eighteenth Brumaire of General Wojciech Jaruzelski

By R. SPIELMAN

In his essay, *The Eighteenth Brumaire of Louis Bonaparte*, Marx serendipitously presented the basis for a Marxian critique of Lenin (which is, ironically, very Weberian in its substance). Marx identified the negative consequences of state power predicated upon the "represented class interest." Polish workers, in founding Solidarity, undid this central, *What Is to Be Done?* premise of Leninism in order to represent their own interest in the form of an independent trade union movement. But Solidarity expressed far more than mere trade union consciousness: it was a school for citizenship. General Wojciech Jaruzelski, whose closest advisers include reform communists regarded as Social Democrats in Moscow, ended the Solidarity era by initiating the first instance of Bonapartism in the Leninist world—but it is the Bonapartism of the nephew rather than that of the uncle.

The First Oil Regime

By L. P. FRANK

During the first oil regime (from approximately 1900 to 1970), the governments of Britain and the United States shared control of Middle Eastern petroleum with the major oil corporations. Case studies concerning the struggle for dominance among states and corporations demonstrate that the balance of power during this period changed between the two sets of actors. In the 1920s, the British state dominated Near East politics and the oil companies. In the 1940s, however, the U.S. replaced Britain as the dominant power in the region. Despite being the stronger power, America was the weaker state. Because of institutional pluralism and ideological orientation, the U.S. government was less able than Britain to control private capital. Corporations became the dominant actors who controlled Middle Eastern oil during the rest of the regime.

The Persian Gulf

By S. BAKHASH

Domestic instability, regional conflict, and great-power rivalry pose potential threats to Western interests in the Persian Gulf. Scholars, however, disagree sharply on the stability of Persian Gulf states, due to a lack of adequate studies and to disagreement on an analytical framework by which stability or instability might be measured. The Iran-Iraq war is a reminder that regional conflicts can still be immensely disruptive; and the superpowers, as arms suppliers, have exercised far less leverage on recipient states than is generally assumed. Alarmist views of Soviet intentions in the region must be set against the relative caution the U.S.S.R. has displayed in exploiting the Iranian revolution and the Iran-Iraq war, while changes in the structure of the oil market make a severe disruption of oil supplies less likely in the near future.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Political Economy of International Change

John Gerard Ruggie, General Editor

New in the series:

Economic Security and the Origins of the Cold War, 1945-1950

Robert A. Pollard. Argues that American economic diplomacy serves as a means to enhance U.S. security and bind together industrial powers, rather than an end in itself. ". . . likely to become the definitive post-revisionist account."—John Lewis Gaddis. 448 pp., $30.00 *(August)*

Collective Clientelism

The Lomé Conventions and North-South Relations

John Ravenhill. The first analysis of the Lomé Conventions—trade and aid agreements between the European Economic Community and more than sixty developing countries—from the point of view of the evolution of north-south relations. 460 pp., $37.50

The Antinomies of Interdependence

National Welfare and the International Division of Labor

John Gerard Ruggie, Editor. "These papers by able scholars concerned with both theory and practice throw much light on the issue and stress the difficulties of policies that will make either course work."—*Foreign Affairs.* 506 pp., *A King's Crown Paperback*, $15.00; $35.00 cl

The Limits of European Integration

Paul Taylor. A study of the prospects of European economic integration, arguing that members of the European Economic Community have resisted a loss of authority. 325 pp. *A King's Crown Paperback*, $15.00; $27.50 cl

Power and Protectionism

Strategies of the Newly Industrializing Countries

David B. Yoffie. How successful have these nations been in battling the new protectionism, especially that of the United States? "A first-rate detailed examination."—*Foreign Affairs.* 282 pp., *A King's Crown Paperback*, $25.00; $35.00 cl

Economics and World Power

An Assessment of American Diplomacy Since 1789

William H. Becker and Samuel F. Wells, Jr., Editors. A careful analysis of national and international economic change and its relationship to domestic politics and bureaucratic interests, ideology and policy. 474 pp., $10.00 pa, $35.00 cl

Forthcoming titles include new works by John Conybeare, Robert W. Cox, Jeffrey Harrod, Carl Ludwig Holtfrerich, Robert Keohane, William C. McNeil, and Judith Ann Tickner.

Send check or money order to Dept. JN at the address below, including $2.00 per order for postage and handling.

Columbia University Press

136 South Broadway, Irvington, NY 10533

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Princeton

Power in Numbers

The Political Strategy of Protest and Rebellion

James DeNardo

From the Foreword by Philip E. Converse:
"...James DeNardo has done here for the logic of protest what Anthony Downs did a quarter of a century ago for the logic of candidate strategies in voting systems."

This book explores the logic of struggle between radical movements and incumbent regimes, and develops a general theory of strategy in protests, uprisings and rebellions. The congruence between positions taken by inhabitants of his abstract model world and those of preeminent radical thinkers like Marx, Lenin, Bernstein, Luxemburg, Mao, and the Russian terrorists will be striking to political scientists, historians, and sociologists alike. $25.00

International Ethics

A *Philosophy & Public Affairs* Reader

Edited by *Charles R. Beitz, Marshall Cohen, Thomas Scanlon,* and *A. John Simmons*

This book is comprised of essays previously published in *Philosophy & Public Affairs* and also an extended excerpt from Michael Walzer's *Just and Unjust Wars.* These essays on moral issues in international affairs focus on a number of problems that generate intense interest in the post-Vietnam War era — the basis of rules for the conduct of war, the significance of national boundaries and the nature of a state's right not to be interfered with by outsider's, the foundations of international property rights, and the requirements of international distributive justice.
P: $8.95. C: $24.50

Military Strategy and the Origins of the First World War

An *International Security* Reader

Edited by *Steven E. Miller*

These five essays from the journal *International Security* analyze the outbreak of the First World War from the standpoint of power politics and military strategy.

The book includes Paul Kennedy's "The First World War and the International Power System," Michael Howard's "Men Against Fire: Expectations of War in 1914," Stephen Van Evera's "The Cult of the Offensive and the Origins of the First World War," Jack Snyder's "Civil-Military Relations and the Cult of the Offensive, 1914 and 1984," and Richard Ned Lebow's "Windows of Opportunity: Do States Jump Through Them?" P: $6.95. C: $25.50

At your bookstore or

41 William Street. **Princeton University Press** Princeton, NJ 08540

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CHINA'S SOVIET WATCHERS IN THE 1980s: A New Era in Scholarship

By GILBERT ROZMAN*

WHAT are Chinese scholars writing about internal developments in the Soviet Union? Are they positive or negative in their assessments of each stage of Soviet history, from the early leadership of Lenin to the recent accession of Gorbachev? What are the consequences that changing Chinese attitudes are likely to have for Sino-Soviet relations? After a quarter-century of the Sino-Soviet split, foreign observers no longer need to grasp at tiny straws of information, or to rely solely on a small number of official documents and authoritative articles. The study of new, published sources can add substantially to our understanding of international perceptions in the socialist world, and can bring us nearer to the elusive goal of learning about debates on foreign policy in communist-led countries. Academic journals and books from the late 1960s in the Soviet Union, and from 1979 in China, present an impressively detailed and intriguingly lively literature on the problems of socialism in the other country. Having previously examined Soviet writings on China,[1] I will introduce Chinese publications on the Soviet Union in this article.

World attention has been focused on official pronouncements and on high-level meetings between the Soviet Union and China rather than on the interplay of scholarly writings and political decision making. From this habitual, yet restricted, vantage point, a considerable warming seemed to occur during late 1984 and early 1985, but there was no

* Research for this paper was supported by the National Council on Soviet and East European Research, the Committee on Scholarly Communications with the People's Republic of China, and the Center of International Studies at Princeton University. I am grateful also to the Chinese Academy of Social Sciences (CASS) and to Xu Kui, the director of CASS's Institute of the Soviet Union and Eastern Europe; and to Lin Shichang, the director of the Institute for the Soviet Union and Eastern Europe under the Shanghai Academy of Social Sciences and Huadong Teachers' College, for assistance in arranging meetings and library access. Of course, I alone am responsible for the views expressed in this article.

[1] Gilbert Rozman, "Moscow's China-Watchers in the Post-Mao Era: The Response to a Changing China," *The China Quarterly*, No. 94 (June 1983), 215-41; Rozman, *A Mirror for Socialism: Soviet Criticisms of China* (Princeton: Princeton University Press, 1985).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

decisive breakthrough. In late December 1984, the visit to China of Ivan V. Arkhipov, first Vice-Chairman of the U.S.S.R. Council of Ministers, highlighted the more positive mood. For the first time in 25 years, China publicly conveyed warmth in its official relations with the Soviet Union. Chinese officials signed agreements calling for a substantial increase in trade and scientific exchanges, spoke optimistically about expected improvements in bilateral relations, and expressed gratitude for the assistance given by the Soviet Union in the 1950s.[2] Following two years of uneven progress in periodic negotiations between Moscow and Beijing and steady but quiet expansion of trade and contacts, this high-level meeting gave a boost to the new relationship. In March 1985, after the death of Konstantin U. Chernenko, Chinese references to him as "an outstanding leader of the party and the state," and to his successor as "Comrade Gorbachev," further signaled China's interest in an improved relationship.[3] An April article in the authoritative journal *Liaowang* was unusually laudatory in its coverage of the March visit of a Chinese parliamentary delegation to the Soviet Union.[4]

Before analysts were jolted by the March developments, three widely observed political developments had suggested that not much significance should be attached to the thaw in Sino-Soviet relations. First, Chinese officials had refused to drop their oft-repeated three conditions—all dealing with Soviet military deployment and support along China's borders—for "normalization." Second, meetings between China's leaders and officials of capitalist countries—especially President Reagan's visit to China in April 1984—had overshadowed lower-level Chinese-Soviet contacts. And third, reforms and announcements in China—most prominently the comprehensive urban reform adopted in October 1984, and the December 7 article in *People's Daily* which rejected rigid adherence to Marxist principles as "naive and stupid"—had appeared to draw China further away from the Soviet model.[5] The Chinese

[2] *People's Daily*, December 23-28, 1984; *Pravda*, December 24, 25, and 28, 1984; Zhu Minzhi, "Aerxipofu de Zhongguo zhi xing" [Arkhipov's China trip], *Liaowang* (No. 2, January 7, 1985), 7-8.

[3] John F. Burns, "Peking Hails Chernenko as an 'Outstanding Leader,' " *New York Times*, March 12, 1985, p. A17; Seth Mydans, "Gorbachev Hints Opening to China," *New York Times*, March 16, 1985, p. 5; Bernard Gwertzman, "U.S. Fears Shift by China on Soviet," *New York Times*, March 17, 1985, p. 3.

[4] Wu Fusheng, "FangSu jianwen" [Report of visit to Soviet Union], *Liaowang* (No. 14, April 8, 1985), 35-36.

[5] *People's Daily*, January 3, 1985, p. 6, proudly reported that a Yugoslavian newspaper had selected China's economic reforms and related changes as the world's most important event of 1984. China's new interpretations of Marxist theory appeared in *People's Daily*, December 7 and 21, 1984, p. 1, and were first reported in the *New York Times*, December 9, 1984, p. 21.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

seemed unwilling to accept Soviet foreign policy along the arc from Vietnam and Kampuchea in the south, to Afghanistan in the west, and to the Mongolian People's Republic and Soviet border troop deployments in the north, while the Soviets apparently refused to recognize China's economic and ideological reforms as socialist.

Examination of Chinese scholarly writings permits us to penetrate behind these highly visible political signs into an arena of spirited debates and thoughtful analysis. Because the existence of a system of restricted publications has delayed access to this arena, it will be useful first to consider how and why this system—the *neibu* or "inside" system—has operated in the field of Soviet studies.

The *Neibu* System

Over 300 Chinese journals as well as many books in the social sciences and humanities are designated *neibu kanwu, neibu ziliao, neibu faxing*, or *xian guonei faxing*—all meaning that they are not to be taken out of China and not to be sold, or presumably shown, to foreigners and in some cases to certain categories of Chinese; internal barriers have been falling, however. Some of these materials carry the additional message *juyi baocun* (carefully protect). Using this restrictive system of publications as justification, China's foreign affairs experts and specialists on the Soviet Union have tended to be secretive about their writings on the Soviet Union. In public lectures at American universities and in conversations inside China, many persons do not want to talk about *neibu* materials—even going so far as denying that their institute publishes a journal; after discovering that the foreigner already knows about the journal, they may justify this falsehood by asserting that the journal is *neibu*—meaning that foreigners are not to be told about it. Although such materials have occasionally slipped out of China, especially to Hong Kong and Taiwan, and restrictions on access to them at libraries inside the People's Republic are not completely or uniformly enforced, the *neibu* system places a formidable barrier in the path of foreigners seeking to learn about Chinese views of the Soviet Union.[6]

Sensitive issues of international affairs relating to any country are

[6] Because of incomplete access to *neibu* materials and the reluctance of some specialists to discuss them, the present paper is based on less information than is desirable. The Chinese are aware of foreigners' resentments about the lack of access to their publications. They even translated, in early 1985, in their popular, internally circulated *neibu* newspaper, *Cankao xiaoxi* (Reference News), an article from the Japanese journal *Kokusai boeki* under the title, "China's 'neibu materials' are too numerous." The article noted that the problem is most evident in research on the Soviet Union.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

handled through the *neibu* system, but the system is applied to publications on the Soviet Union with particular thoroughness. Though there are *neibu* journals on the United States and Japan, they are not numerous.[7] A more secretive (*baomi*) system protects genuine national secrets and materials—such as instructions on how to deal with foreigners—that could seriously damage China's national interest.

Why are writings about the Soviet Union considered especially sensitive? In conversation, the Chinese suggest three reasons: (1) The *neibu* system is a holdover from an earlier penchant for secrecy and will eventually be abolished. (Proposals in this direction are under discussion.) (2) The system promotes the growth of areas of study that are at present immature; as authors (or officials) grow more confident, they will no longer be hesitant to present their views before an international audience. (3) The system provides scope for unofficial and divergent views, which might give offense to foreigners—especially Soviets—who are accustomed to treating all publications from the People's Republic as representative of official thinking. By restricting the circulation of their publications, especially at a time when negotiations with the Soviets are planned or in progress, the Chinese avoid disturbing Soviet sensibilities.

To the extent that favorable comments are made about the Soviet Union, there may be a fourth factor: the Chinese may not want to irritate their capitalist partners in trade, investment, and military cooperation. Continued sensitivity and secrecy about mistakes that Chinese leaders committed on the road to socialism (despite the 1981 party document recognizing some mistakes by Mao Zedong in his later years and a generally negative view of developments from 1957 to 1978) also introduces a fifth, important factor: secrecy about Chinese domestic history makes a parallel reassessment of the nature of Soviet socialism a sensitive matter that has ramifications for reform in China. Perhaps there is also a sixth economic or bureaucratic factor with many manifestations: there are cases of journals to which bureaucrats do not want to give the long-term commitment of resources that would have to accompany public status; there are strategies to bypass the local control of party secretaries by writing for *neibu* publications; there are advantages in publishing more quickly; there are even tax benefits to work units in cases where public sales would probably be small while readership in academic institutes is large; and there is some protection in

[7] In card catalogues I found five titles of *neibu* journals on the United States as well as a few titles of journals on Japan, one of which had began publication as early as 1973. Most *neibu* journals deal with internal Chinese matters: local financial journals are numerous, as are provincial journals on public security. There are also *neibu* journals on communist party history and others on such disparate topics as movies, foreign literature, and foreign music.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

this restrictive format which reduces the author's and publisher's personal responsibility.

In a spirit of cooperation with visiting foreign students and scholars, some access to *neibu* publications has been permitted—more outside of Soviet studies than within it. One source that has been available in certain libraries is the monthly, *Quanguo baokan suoyin* (National periodical index), which lists both public and *neibu* publications. My observations draw on this comprehensive source, as well as on direct examination of publications (including several with their own bibliographies for the Soviet field), and a total of 60 to 70 hours of meetings with specialists on the Soviet Union in Beijing and Shanghai in December 1984 and January 1985. Because foreigners have been unaware of the proliferation of Chinese writings on the Soviet Union, the first step is to document the impressive scale of publications in this field.

The Scale of Publications

In 1983 and 1984, as many as 21 journals were published in Chinese that had as part of their title the names Soviet Union (*Sulian*), Siberia (*Xiboliya*), Russia (*Eguo*), or Russia/Soviet Union (*ESu*). Table 1 lists these journals, their dates of first publication where known, and the institution responsible for each publication.[8]

With the exception of one publication in the arts (*wenyi*), all of these

[8] The geographical distribution of journals is consistent with the distribution of the leading research centers on the Soviet Union. Approximately one-half of the journals (including those identified in Table 1 by organization but not by city) are published in Beijing. The others are from Manchuria (Heilongjiang and Jilin), the northwest and far west (Shenxi, Lanzhou, and Xinjiang) and the lower Yangtze (Shanghai and Anhui). There is clearly a division of labor. In Heilongjiang, a main interest is nearby Siberia and the Far East, while in Xinjiang special attention is given to neighboring Soviet Central Asia. Very little research on the Soviet Union is conducted south of the Yangtze River. Apart from the anomalous case of the regional journal *Siberia and the Far East* (which first appeared in 1974 after border clashes had drawn China's attention to this region and a brief political relaxation made some academic research possible), the earliest journals were in the fields of literature and the arts. Most journals in the social sciences, including many devoted to translations and compilations of foreign writings, first appeared in 1980 and 1981. After this remarkable spurt, the launching of journals appears to have almost come to a stop in 1982 and 1983. In 1984, new magazines on philosophy and psychology reflected the growing specialization of Soviet studies in China. Although a few of these journals may be small pamphlets with irregular schedules, many are substantial publications. Several are quarterlies; others appear up to eight times a year. Three of the most prominent journals—*Problems of the Soviet Union and Eastern Europe, The Soviet Union and Eastern Europe today*, and *Soviet literature*—are issued six times a year; they range in size from 70 to 100 pages, or ten to fifteen articles. (Because of the greater density of words per page in a nonalphabetic language and the practice of using space on the last page of one article to complete another article, Chinese journals are more compact than Western ones.) Two journals—*Materials on Soviet literature*, which is reported to have had at least fifteen issues in 1979, and *Digest of Soviet problems*—seem to have ceased publication, although a plan exists for the latter to be issued again.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 1

CHINESE JOURNALS ON THE SOVIET UNION

Name	*First Published*	*Responsible Institution*
Sulian dongou wenti (Problems of the Soviet Union and Eastern Europe)	1981	CASS, Institute of the Soviet Union and Eastern Europe
Sulian yu dongou (The Soviet Union and Eastern Europe)	1980	China People's University, Institute of the Soviet Union and Eastern Europe
Jinri Sulian dongou (The Soviet Union and Eastern Europe today)	1981	Shanghai Academy of Social Sciences and Huadong Teachers' College, Institute of the Soviet Union and Eastern Europe
Sulian lishi (Soviet history)	1984?	Editorial board in Lanzhou (Lanzhou University)
Sulian lishi wenti (Problems of Soviet history)	1982; changed name from *Sulian shi yiwen xuanji*	Shensi Teachers' College, History Department, Soviet History Research Section
Xiboliya yu yuandong (Siberia and the Far East)	1974	Heilongjiang Academy of Social Sciences, Institute of Siberia and the Far East
Sulian zhongya yanjiu (Research materials on the Soviet Union and Central Asia)	1981	Xinjiang-Uighur Autonomous Republic Academy of Social Sciences, Institute of Central Asia
Sulian wenti yanjiu ziliao (Research materials on problems of the Soviet Union)	1981	Anhui University, Institute of Problems of the Soviet Union
Sulian wenti cankao ziliao (Reference materials on Soviet problems)	1980	Shanghai Foreign Language Institute, Section on Soviet Problems
Sulian wenti ziliao (Materials on Soviet problems)	1981	Xinjiang University, Institute of Problems of the Soviet Union
Sulian dongou wenti yanjiu ziliao (Materials on problems of the Soviet Union and Eastern Europe)	1983	Editorial board in Beijing
Sulian zhexue (Soviet philosophy)	1984	Huadong Teachers' College, Philosophy Department, Shanghai
Sulian zhexue ziliao (Materials on Soviet philosophy)	1980	Jilin University, Philosophy Department, Soviet Philosophy Research Section

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 1 (*cont.*)

Name	*First Published*	*Responsible Institution*
Sulian xinlixue (Soviet psychology)	1984	Chinese Psychology Society, Research Group on Soviet Psychology
Sulian wenti yicong (Digest of Soviet problems)	(suspended publication in 1982)	CASS, Institute of the Soviet Union and Eastern Europe
ZhongE guanxi wenti (Problems of Sino-Soviet relations)	1981; changed name from *Zhonge guanxi yanjiuhui tongxun*	North China regional research association of Sino-Soviet relations in Beijing
Sulian jingji qingkuang (Soviet economic conditions)		Beijing Economics Institute
Sulian wenxue (Soviet literature)	1980; changed name from *ESu wenxue*	Beijing Normal University, Institute of Soviet Literature
Zhongguo Eyu jiaoxue (Russian language teaching in China)		Research association of Russian language teaching in China
Sulian yu dongou wenxue (Soviet and East European literature)	1979	Jilin Teachers' College, Foreign Languages Department
Sulian wenxue ziliao (Materials on Soviet literature)	1973-1979	Beijing Normal University, Institute of Foreign Problems, Research Section on Soviet Problems
Sulian wenyi (The arts in the Soviet Union)	1980; changed name from *ESu wenyi*	Beijing Foreign Languages Teaching and Research Publishers

journals on the Soviet Union remained under *neibu* restrictions in 1984. In other words, there were 20 *neibu* journals on the Soviet Union. Some relaxation of controls was apparent, however, in the fields of literature and language instruction; with the first issue of 1985, *Soviet literature* and *Russian language teaching in China* were permitted to publish openly. Proposals to open other journals to foreigners remained under consideration.

Many journals that do not specifically focus on the Soviet Union (or the Soviet Union and Eastern Europe) also frequently contain articles on the Soviet system. Indeed, it is not unusual to find as many as one-quarter of the articles in a foreign affairs journal focusing on the Soviet Union. (The terms *guowai, waiguo*, or *shijie* are commonly part of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

title, as indicated in Table 2.) Journals identified as *ziliao* (materials), *yicong* (digest or collected translations), and *dongtai* (bulletin or trends) normally carry many translations, compilations, or summaries of foreign writing. In the social sciences and humanities, no fewer than 500 articles each year are translated or otherwise drawn from Russian sources, while dozens of additional articles on the Soviet Union are translated from other languages. This array of materials, most of which are *neibu*, keeps Chinese experts remarkably well informed about the latest discussions in the Soviet Union. Articles found in university and institute bulletins (*xuebao*), arts and literature journals, and some of the specialized economics journals are more likely to be open to foreigners.[9]

In early 1979, when fewer than 50 articles a month were issued on the Soviet Union, the *neibu* system was not very important. There was little to hide; many of the articles appeared in *People's Daily* and other prominent publications, and were altogether predictable in their castigation of Soviet "hegemonism." Heightened secrecy accompanied the rapid expansion of publications and the increasing interest in problems of greater complexity, such as assessments of Soviet history and the contemporary Soviet economy. By 1983 and 1984, when 150 to 200 articles on the Soviet Union appeared each month,[10] well over one-half—and in the areas of politics, economics, and sociology, more than three-quarters—were *neibu*.

In addition, the number of books on the Soviet Union is fairly high. Translations predominate, mostly of Soviet books, but in some instances from English.[11] Some of the most important recent foreign scholarship is being translated and is drawing keen attention. The continual flaunting of international copyright regulations means that the translations are *neibu*, appearing without the consent or knowledge of the author and the original publisher. Such books are rarely for sale in the bookstores that foreigners are shown.

Books concerned with the Soviet Union are mainly on economic themes. Recent translations concentrate on the Soviet economy; so does original Chinese scholarship, as evidenced by seven books that appeared between 1982 and 1984 (most of which are openly available) on contem-

[9] The hundreds of university and institute bulletins (*xuebao*) are the most visible of the Chinese publications reaching the outside world. Their generally low quality and esoteric topics contrast with the direct and often keen grasp of controversial issues evident in many *neibu* journals, including some other restricted *xuebao*.

[10] *National periodical index* (January to June 1979, and January 1983 to August 1984).

[11] Excluding literature, I have been able to identify about fifty books on the Soviet Union published from 1980 to 1984. The average has been about ten a year. Books on literature are also numerous. Prior to the Cultural Revolution some of the literature of the Soviet "thaw" was translated into Chinese and made available to small numbers through the *neibu* system. Beginning in the late seventies, translations of recent Soviet literature were issued on a larger scale.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 2

ADDITIONAL CHINESE JOURNALS THAT FREQUENTLY CARRY ARTICLES ON THE SOVIET UNION

Guowai shehuikexue qingbao
(Information on foreign social sciences)

Guowai shehuikexue dongtai
(Bulletin on foreign social sciences)

Guowai shehuikexue
(Foreign social sciences)

Zhexue yicong
(Philosophy digest)

Kexue shehuizhuyi jiaoyan cankao ziliao
(Instructional reference materials on scientific socialism)

Makesizhuyi yanjiu
(Research on Marxism)

Makesizhuyi yanjiu cankao ziliao
(Reference materials on Marxist research)

Shehuixue yu xiandaihua
(Sociology and modernization)

Guowai shehuixue cankao ziliao
(Reference materials on foreign sociology)

Minzu yicong
(Nationality digest)

Zhongya yanjiu ziliao
(Research materials on Central Asia)

Shijie lishi
(World history)

Shijieshi yanjiu dongtai
(Research bulletin of world history)

Waiguo shi zhishi
(Consciousness of foreign history)

Shixue yuekan
(History monthly)

Guowai faxue
(Foreign law)

Waiguo faxue yicong
(Digest of foreign law)

Guoji wenti yanjiu
(Research on international studies)

Waiguo wenti yanjiu
(Research on foreign problems)

Xiandai guoji guanxi
(Contemporary international relations)

Shijie jingji yu zhengzhi neican
(Internal reference on world economies and politics)

Waiguo jiaoyu
(Foreign education)

Waiguo jiaoyu dongtai
(Bulletin of foreign education)

Waiguo jiaoyu yanjiu
(Research on foreign education)

Jingjixue dongtai
(Bulletin of economics)

Waiguo jingji cankao ziliao
(Reference materials on foreign economies)

Jihua jingji yanjiu
(Research on planned economies)

Xiandai jingji yicong
(Digest of contemporary economies)

Waiguo jingji guanli
(Foreign economic management)

Shijie jingji yicong
(Digest of world economies)

Jingji yanjiu cankao ziliao
(Reference materials for economic research)

Caizheng yanjiu ziliao
(Research materials on finances)

Shijie jingji
(World economies)

Shijie nongye
(World agriculture)

Nongye jingji yicong
(Digest of agricultural economies)

Guowai wenxue
(Foreign literature)

Waiguo wenxue dongtai
(Bulletin of foreign literature)

Cankao ziliao zhuanji
(Reference materials bulletin)

Gongyun ziliao xuanyi
(Selections and translations of materials of the communist movement)

Guoji gongyun cankao ziliao
(Reference materials on the international communist movement)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

porary economic conditions and reforms in the Soviet Union. One of the most pathbreaking books, *Reform of the Agricultural Economic System of the Soviet Union and East European Countries*, is a comparative study of agricultural reforms in the Soviet Union and Eastern Europe since the 1950s. Additional manuscripts on the Soviet economy await unrestricted publication in 1985 and 1986.

The Organization of Soviet Studies

Well over 1,000 and perhaps as many as 1,500 Chinese specialists are engaged in research on the Soviet Union. Hundreds of additional persons who are not full-fledged researchers (but have one language skill or another) concentrate on translations from Russian, English, or Japanese works dealing with the Soviet Union. Another 5,000 persons teach Russian, one-third of them in universities and two-thirds in middle schools.[12] Whatever their specialty, the majority of Soviet experts received their language training in Russian during the 1950s. Recruited into research or academic work before the Cultural Revolution, they were cut off for over a decade from new Soviet sources and opportunities to speak Russian. They now work under the double handicap of this long hiatus and huge gaps in library collections. Yet, because of their intensive earlier training (some attended a Soviet institution of higher learning), they have retained a good foundation for quickly resuming their work in the late 1970s. This generation of experts on the Soviet Union is now being joined by recent graduates of Chinese universities and teaching institutes, some of whom are in training as graduate students or as translators in the departments and research institutes where they may eventually do research.

More than 200 and perhaps as many as 300 of these specialists are employed in the various academies of social sciences, including the Chinese Academy of Social Sciences (CASS) in Beijing. The largest and leading organization is CASS's Institute of the Soviet Union and Eastern Europe (Sulian dongou yanjiusuo). Until 1981, this institute was part of the Central Liaison Department under the Central Committee of the Communist Party of China; at that time, its members switched from writing unpublished reports to writing primarily for publication. By 1984, it had expanded from a group of about 40 veteran researchers on the Soviet Union to roughly 75, plus a smaller number of researchers

[12] Li Yueran, "Guanyu woguo eyujiaoxue gongzuo de jidian yijian" [Some opinions concerning our country's Russian language teaching work], *Zhongguo Eyu jiaoxue* (No. 3, 1984), 1-2.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on Eastern Europe, and as many as 80 supporting personnel—a total of about 180 employees in all. Its four departments on the Soviet Union (economics, politics, foreign relations, and socialist theory) reflect the prevailing divisions of social science research.[13] Several other institutes in CASS also have groups of Soviet experts. Among provincial academies of social science, Heilongjiang and Shanghai may rank at the top in numbers of specialists on the Soviet Union.

Some universities have their own institutes (*yanjiusuo*) or sections (*yanjiushi*) on the Soviet Union. Concentrations large enough to support separate institutes can be found at China People's University (Zhongguo renmin daxue) which has 20 to 25 specialists, at Shanghai's Huadong Teachers' College, and at Anhui and Xinjiang Universities. Other universities employ small groups of Soviet specialists within their regular departments, while teachers' colleges and institutes often maintain sections on Soviet literature or languages. There are also institutes with direct government affiliation, such as the China Institute of Contemporary International Relations (Zhongguo xiandai guoji guanxi yanjiusuo) which has more than 20 Soviet specialists.

In comparison to the Soviet Union's heavy concentration of specialists on China in a small number of institutes and universities in Moscow, China's specialists on the U.S.S.R. are geographically and institutionally dispersed. The overall relaxation of restrictions after the Third Plenum of the Eleventh Party Congress in December 1978 and the existence of the *neibu* system—which, because it limits circulation, ironically makes it easier to discuss controversial issues—have both worked in favor of a livelier field. Decentralization may also have promoted a greater diversity of scholarly views.

The First Stage of Development

Chinese studies of the Soviet Union developed within a year following the decisive Third Plenum. At first there was little of scholarly value with the exception of translations from literature; coverage of the Soviet Union in late 1978 and early 1979 remained narrow and one-sidedly negative. The *National periodical index* reveals the poor state of scholarship in January 1979. Table 3 shows that, on domestic and foreign topics combined, only eight Chinese journals were indexed in the broad field of philosophy, four in economics, and three in history (exclusive of archaeology). (New journals were founded in the first half of 1979,

[13] *China Report, Economic Affairs, Chinese Academy of Social Sciences* (Foreign Broadcast Information Service, JPRS-CEA-85-018, February 19, 1985), 105-8.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

but the numbers remained low; still, the figures for these three areas in the June index were about double those of January.) Not one of the 18 journals on culture and education was focused on foreign countries; in the field of literature, only one journal, *Shijie wenxue* (World literature), was.

In early 1979, articles on the Soviet Union (apart from those linking it to Vietnamese aggresssion in Kampuchea) were classified under two headings: "Struggle against Hegemonism" and "The Soviet Union." About half or more of the articles—mostly those on Soviet foreign policy and the Soviet military—were from *People's Daily*. Even on other topics, many titles were unambiguously negative. They referred to Soviet policy as the "new tsarism"; to the intensified contradictions among Soviet nationalities; and to changes in Marxism by Soviet "revisionists." By contrast, views of the Stalinist period remained either too sensitive for discussion or largely positive. Articles appealing to Stalin's authority to justify new Chinese policies, such as respect for intellectuals, appeared under separate headings, such as "Stalin."

At the same time, one had to turn to the writings on Yugoslavia and Romania for examinations of the nature of socialism in a foreign state.[14] The Soviet Union was rarely discussed in these terms. A handful of articles on the U.S.S.R. did foreshadow writings of the following years. For instance, an article in *Shijie jingji* (World economies), No. 4, 1978, on recently developed inter-enterprise organizations and the merging of farmers and workers in the rural Soviet Union, and in No. 2, 1979, one on the Soviet use of foreign capital and technology during the time of Lenin and Stalin, were part of an appeal to Soviet history to justify China's opening to the West and other reforms. Other pieces on the leading authors of Russian and Soviet literature, such as Gorky, Stanislavsky, and Tolstoy, helped to relocate China's burgeoning literature within the traditions of "progressive" world literature and socialist realism.

A 1980 article in a Hong Kong journal concerns a debate over the nature of Soviet society in 1978-1979.[15] The fundamental question of whether the Soviet Union is revisionist or socialist seems to have been answered by the summer of 1979. In September of that year, the majority of participants at a conference on Soviet literature in Heilongjiang recognized that the Soviet Union had remained basically socialist from the

[14] Nina P. Halpern, "Learning from Abroad: Chinese Views of the East European Economic Experience, January 1977 - June 1981," *Modern China* 11 (No. 1, January 1985), 77-109.

[15] "Sulian? Suxiu? ruhe qushe?" [Soviet Union? Soviet revisionists? which one should we choose?] *Guangjiaojing*, April 16, 1980, pp. 27-31.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

time of Stalin. The article reports on a speech to Chinese ambassadors by Wang Youping, Deputy Foreign Minister and later Chairman of the Sino-Soviet Friendship Association. Wang noted that the Chinese had long made the mistake of confusing research and propaganda, and were therefore presenting a distorted impression of conditions in the Soviet Union. He added that improvements starting in the 1950s were a major factor in the Soviet Union's domestic stability. Although Wang recognized current economic difficulties, he concluded that a debate over new economic reforms that was currently in progress held great importance for the future of the Soviet Union.

The Hong Kong article also notes a contrasting speech on October 9, 1979, by Li Yiwang, Deputy Head of the Central Liaison Department of the Central Committee, rejecting the notion that the Soviet Union is a classic socialist state because of the U.S.S.R.'s hegemonic policies since World War II. Li added that even if it had been incorrect for the Chinese to have concluded in the 1960s that the Soviet Union had restored capitalism, that should not be grounds for surrendering to the "fear of the Soviet illness" that some people exhibit, and compromising with the Soviets. He objected to a new direction in research on the Soviet economy—to identify what is socialist and what remains somewhat revisionist—insisting that it would not resolve problems between China and the Soviet Union and would only bring more and more confusion. The wide-open nature of the debate can be seen in Wang's conclusion that "now research personnel in many of China's brotherly institutions and organs have many kinds of differing viewpoints," and "we do not necessarily want to come to hasty conclusions." Wang's appeal for a gradual unification of views on the basis of research into the facts came during a period of a rapid build-up of scholarship on the Soviet Union.

By the end of 1979, the number of articles on the Soviet Union was increasing, and new topics were under discussion. The December 1979 *National periodical index* lists 29 journals in the general area of philosophy, 19 in economics, and 14 in history and geography. Ten journals focused on foreign education and another 8 on foreign literature. While few journals that specialized in the Soviet Union had yet appeared, many translation journals were already being published.

The choice of titles indicates an attitude that remained largely critical, but the range of information conveyed about the Soviet Union had expanded greatly by late 1979. The *National periodical index* lists articles reporting on the bad year the Soviet economy was experiencing, and papers (in some cases based on Western sources) discussing problems of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

agriculture, construction, consumer goods, and energy. Other articles commented on Soviet defectors in the United States and on a serious crime problem in the U.S.S.R. Harsh condemnations of Soviet expansionism—in Afghanistan as well as in Southeast Asia—continued. Despite these criticisms, new lines of inquiry were opening, and a sharp divergence of views could be discerned on many themes in Soviet history. Within another year or two, the views that were most reform-oriented would rarely be expressed openly.

Indicative of the new spirit of debate were some articles that appeared around the time of the hundredth anniversary of Stalin's birth, in December 1979. The message that described what Stalin stood for was not monolithic. In October, Svetlana Alliluyeva's *Twenty Letters to a Friend*, revealing much that was negative about her father, had been translated in *Makesizhuyi yanjiu cankao ziliao* (Reference materials for Marxist research). On November 26, the newspaper *Wenhuibao* carried an article by Su Shaozhi, the director of CASS's Institute of Marxism-Leninism and Mao Zedong Thought, which concluded (ostensibly from rereading Stalin's *Economic problems of Soviet socialism*) that the aim of socialist production is to satisfy the needs of the people. Others discovered that Stalin had been in favor of different reform objectives that had long been overlooked in China. The appeal to Stalin's authority, however, was not confined to reform goals. On December 23, 1979, the newspaper *Guangming ribao* followed a different line of interpretation with an essay on Stalin's opposition to anarchism. We may also surmise that articles in memory of Stalin in the military newspaper *Liberation army daily*[16] in late December reflected some resistance by the military to Deng Xiaoping's reforms through an appeal to Stalin's model of socialism—a resistance that Stuart R. Schram has recently described.[17]

The Second Stage of Development

The number of articles about the Soviet Union continued to expand rapidly in 1980 and 1981. By early 1981, each monthly issue of the *National periodical index* listed more than 200 journals in the social sciences, about 100 university and institute bulletins, and another 100 magazines in the arts and literature.[18] Table 3 shows that there were

[16] *Jiefangjun bao*, December 21, 1979.

[17] Schram, "'Economics in Command?' Ideology and Policy Since the Third Plenum, 1978-84," *The China Quarterly*, No. 99 (September 1984), 417-61, at 426-27.

[18] Early in 1980, the *National periodical index* was split into two volumes: one volume on the social sciences and humanities (*zhe-she*—literally, philosophy and the social sciences), and another on the natural and physical sciences. Articles on foreign countries were now classified by subject area rather than grouped together under one national listing (or two, in the case of the Soviet Union).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 3

NUMBERS OF JOURNALS LISTED PER MONTH IN THE *NATIONAL PERIODICAL INDEX*

	Philosophy (and "Social Sciences")	*Economics*	*History/ Geography*	*Politics, Law, International Relations, Sociology*	*Totals*	*Total in All Fields of the Social Sciences and Humanities*
January 1979	8	4	6		18	
May 1979	13	6	10		29	
June 1979	14	10	9		33	
July 1979	11	7	10		28	
August 1979	13		8			
September 1979	16	11	8		35	
October 1979	18		5			
November 1979	20	12	7		39	
December 1979	29	19	14		62	
January 1981	43	57	37	71	208	
April 1981[a]						678
April 1982[a]						919
July 1984[a]						1,030

[a] Complete breakdowns for later years are complicated by changing classifications of journals.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

57 journals on economics in one month's listing. Sub-areas such as the social sciences (29 journals), international relations (19), and workers, youth, and women (27) were now differentiated from the earlier, inclusive headings of philosophy and politics.

The major substantive transformation in Soviet studies occurred between late 1979 and early 1981.[19] It was not so much that views changed, but that, as specialized scholarship began to be published, it took on a cast distinctive from the vitriolic tone of the popular media. The negative public image was not displaced: *People's Daily* somewhat mellowed its antagonistic tone, but continued to report disapprovingly on Soviet foreign policy (including hegemonism) and the Soviet economic slump. Because of this paper's prominence, and the inaccessibility of *neibu* publications, foreigners were understandably slow to appreciate the changing tone and expanding coverage in the field as a whole.

In the area of communist ideology, an extraordinary debate became evident; it ranged from the early Marxian manuscripts of 1844-1845 to the interpretations of developed socialism of the Brezhnev era, and eventually to Andropov's theoretical innovations on this subject. Portions of this reevaluation have already been discussed by Western writers; Schram mentions Liao Gailong's October 1980 report—an elaboration of ideas sketched in August 1980 by Deng Xiaoping, which blamed Stalin and even Lenin for not placing the ruling communist party on a democratic basis. Schram also discusses the lively exchange of views at the academic conference marking the centenary of Marx's death (spring 1983), and the cyclical developments during the next twelve months when Marxist themes of alienation (*yihua*) and humanism (*rendaozhuyi*) were examined in the context of the campaign against spiritual pollution.[20] The *National periodical index* shows a marked decline in articles under the heading of Stalin studies, even while there was an increase in efforts to assess Stalin's contributions to the theory and institutions of socialism. Many articles examined the theories of Bukharin in opposition to Stalin during the 1920s, and there were some translations of Western writings on Trotsky.[21] Titles of articles reveal that tough questions were being asked—such as why Stalin signed the treaty with

[19] A similar conclusion that a turning point occurred in late 1980 in Chinese writings about East European economies can be found in Halpern (fn. 14), 101-2.

[20] Schram (fn. 17), 435 and 441-48; and Schram, *Ideology and Policy in China Since the Third Plenum 1978-84* (London: Contemporary China Institute, School of Oriental and African Studies, University of London, Research Notes and Studies No. 6, 1984), 21-29, 39-69. For Deng Xiaoping's reported statements on Stalin, see Tsou Tang, "The Historic Change in Direction and Continuity with the Past," *The China Quarterly*, No. 98 (June 1984), 321.

[21] See *Makesizhuyi yanjiu cankao ziliao* (supplement 6, 1980); *Guowai shehuikexue dongtai* (No. 2, 1981); and *Guowai shehuikexue qingbao* (Nos. 2 and 5, 1981).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Germany in 1939, and whether the Soviet-Finnish war that followed was just or unjust.[22]

Above all, by early 1981 one finds a newly developed concern for understanding Soviet self-perceptions and Soviet perceptions of the world. Chinese scholars discovered that, in order to "seek truth from facts," it was necessary to know the facts. Aware that the Soviets were proclaiming their own interest in economic adjustments or reforms, the Chinese began to study the Soviet economy on a large scale. Many translations appeared, such as a series of articles on the Soviet economy in *Information on foreign social sciences* (December 1980). In such diverse areas as education, philosophy, psychology, and economic management, the Chinese were obviously examining contemporary Soviet conditions with considerable attention. While interest in the internal conditions of the Soviet Union rose, Romania and Yugoslavia lost their preferred place as models for socialism. The new view that Hungary provided an economic model superior to that of Yugoslavia led to an increase in articles on Hungary; but the numbers were small in comparison to the increase in articles on the Soviet Union.

The Third Stage of Development

By mid-1982, after several conciliatory speeches by Brezhnev had softened the Soviet tone toward China, and the two countries had been edging toward the negotiations that would be announced in September, the literature on the Soviet Union had reached a mature form that did not change substantially during the rest of the period under review—i.e., to early 1985. The scope and scale of coverage had now stabilized. In addition to the monthly *National periodical index*, this literature could now be followed through the bimonthly journal *The Soviet Union and Eastern Europe today*, which from its inception in 1981 published a specialized bibliography of Chinese articles on the Soviet Union and all countries of Eastern Europe. The December 1982 issue lists 225 articles on the Soviet Union that were published in May and June of that year.[23]

In the bibliography for these two months, two main themes stand

[22] The *National periodical index* (February 1981) lists these articles from *Shijieshi yanjiu dongtai* (No. 1, 1981), 9 and 36 (only the first pages of articles are given).

[23] *Jinri Sulian dongou*, No. 6, 1982, lists the following number of articles on the Soviet Union by field: economics, 82; politics and law, 57; society, 17; education, 11; foreign relations, 9; military affairs, 7; arts, 7; history, 7; philosophy, 6; science and technology, 3. In addition, there were 19 articles on the Soviet Union and Eastern Europe, 26 on Yugoslavia, 18 on Poland (more than usual because of coverage of Solidarity), 14 on Hungary, 12 on Romania, 6 on East Germany, 4 on Czechoslovakia, and 3 on Bulgaria. In recent years, the *National periodical index* has listed about seven articles on the Soviet Union for every three on Eastern Europe.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

out under the heading "politics and law." First, compared to early 1981, there was increased interest in a succession of communist leaders. In addition to articles on Bukharin, Stalin, and Trotsky, there were now individual studies of Zinoviev, Khrushchev, and Brezhnev. Second, the Chinese were closely following developments in Soviet socialist theory—for instance, new interpretations of the concepts of "developed socialism" and "scientific socialism" and Soviet articles on the basic laws of socialist development and the diversity of state forms under socialism. The relevance to theoretical formulations is hard to miss: an article on Soviet thinking about the "socialist spiritual civilization" appeared at a time when this concept was being popularized in China.[24] About 40 percent of the articles on politics and law were translations; others were summaries or compilations of foreign materials.

Economics accounts for 40 percent of the listings for May and June 1982. If historical studies of the Soviet economy listed in the *National periodical index* are reclassified into the economics section, then its month-by-month records through 1984 show that more than one-third of the articles are on economics. Again, a large proportion of these are translations. Thirty of the 82 articles in the May-June bibliography were translations from Soviet sources; five other translations were based on Western, Japanese, and Czech sources. By 1982, China's interest in Soviet economic reforms had become fully evident. Articles appeared on economic theory as well as on economic strategy and effectiveness, forecasting, and management. Specialists followed ongoing changes in the Soviet economy and Soviet revelations of existing economic problems. Indicative of the tone of "learning from Soviet experience" is the title of an article by Lu Nanquan, "Borrowable Experiences and Problems in Soviet Economic Reform," in the important new journal *Internal reference on world economies and politics* (May 1982).

By 1982, the Chinese had probably become world leaders in comparative research on socialist economies. Using a typology (based on the relative weights of market forces and centralized planning) of Yugoslavia at one extreme, Hungary in the middle, and the Soviet Union at the other extreme, Chinese economists produced articles and books that compared economic reforms starting with the common base of the Stalinist model and continuing into the 1980s. This approach is exemplified by three articles in the May 1982 issue of *Internal reference on world economies and politics* and two articles in the May 1982 issue of *Problems of the Soviet Union and Eastern Europe*, probably the principal Chinese

[24] "Shehuizhuyi jingshen wenming he MakesiLieningzhuyi yishi xingtai" [Socialist spiritual civilization and Marxist-Leninist ideology], *Guowai shehuikexue* (No. 6, 1982).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

journal on the Soviet Union. The buildup of comparative studies became increasingly noticeable over the following two years.

A third, more selective bibliography of articles on the Soviet Union appears at the back of the monthly issues of *Internal reference on world economies and politics*. Confining its scope to *neibu ziliao*—presumably because open publications on world affairs are considered to be of lesser importance—this listing selects 60 to 65 articles each month across the entire spectrum of international affairs. The time lag is only three months; that is, the March 1984 issue covers articles published in December 1983.[25] In the issues from January to November 1984, 567 articles are singled out for identification in this specific bibliography. A breakdown of titles by country points up the importance of the Soviet Union to China's international concerns. Almost one-quarter (138 articles) of all the articles are on the U.S.S.R.[26] In addition, about one-half as many articles are on Eastern Europe; the combined total on these socialist countries is close to the overall figure for North America, Western Europe, and Japan combined, and more than twice the total of articles on the Third World. This breakdown is further evidence that no other country commands the interest of Chinese writers on foreign affairs as much as the Soviet Union does. (Articles on the United States are less numerous and tend to be on more technical subjects.)

The *National periodical index*, with its fuller listings, reveals an increasing specialization within Soviet studies by 1984. Articles in the field of economics are most numerous—about 50 a month; they cover general and technical aspects of prices, supplies, wages, and management.[27] Their familiarity with the workings of a socialist, planned economy attunes Chinese specialists to issues that are not as frequently analyzed in the West. In addition, specialization is evidenced by articles on disparate areas such as information sciences, urban sociology, and theories of the state: specific knowledge is needed on subjects that are beginning to be

[25] Occasionally, listings in *Shijie jingji yu zhengzhi neican* are devoted to bibliographies on special subjects over a period of a year or longer; as a result, the regular bibliography in the following issue covers two months of articles rather than one.

[26] Of the 138 articles on the Soviet Union listed in *Shijie jingji yu zhengzhi neican* between January and November 1984, about one-quarter appeared in specialized journals on the Soviet Union. *Sulian dongou wenti* was represented by 21 articles, and *Jinri Sulian dongou* by 7. Among journals that do not specialize in the U.S.S.R., those cited most often are *Cankao ziliao zhuanji* (21 articles) and *Jingji yanjiu cankao ziliao* (12). Reference materials (*cankao ziliao*) including translations, compilations, and summary statements, comprise a large proportion of total publications.

[27] Articles on the Soviet economy appear in such specialized journals as *Jihua jingji yanjiu* (Research on planned economies), *Jingji tizhi gaige cankao ziliao* (Reference materials for reforms of the economic system), *Nongye jingji yicong* (Digest of agricultural economies), and *Caizheng yanjiu ziliao* (Financial research materials).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

studied intensively in China or that can help the Chinese to combine reform with socialism.

Writings on the Soviet Union have largely reflected China's prevailing theoretical climate as well as the current strategy for economic reform. Although changes in the Soviet Union and in Sino-Soviet relations have mattered, China's domestic concerns have been primary. Serious research emerged after Deng's call in late 1978 "to seek truth from facts," and the important conference on theory that followed the Third Plenum in December 1978 and January 1979. Increased research (but within a somewhat narrower range) followed Deng's assertion, in late March 1979, of the four cardinal principles: China must uphold the socialist road, proletarian dictatorship, the leadership of the Communist Party, and Marxism-Leninism Mao Zedong thought, and the application of these principles in the spring of 1981 in the drive to criticize Bai Hua's filmscript, "Bitter Love."[28] The campaign against spiritual pollution, in late 1983 and early 1984, further limited discussions of socialism. Despite cyclical trends toward more open discussion, the persistence of ideological controls has tended to limit far-reaching criticisms of the Soviet Union and to increase the weight of debates about the socialist world within international studies as a whole.

Over a period of five to six years, articles in the field of Soviet studies have quadrupled—from about 500 to roughly 2,000 a year. There was a shift from intensely hostile name-calling to more neutral and objective language, from poorly informed overviews to detailed presentations. The proportion of newspaper accounts fell sharply as new scholarly journals entered the field. The Chinese began to follow international scholarship and paid especially close attention to Soviet self-perceptions. Studies of the Soviet Union became more diversified and specialized. As this transition progressed, the literature in the field was published more secretively. Lively debates arose over a wide range of issues, but officials preferred to limit foreign awareness of them. It is necessary for us to identify many of these topics of dispute in order to appreciate the importance of the new field of Soviet studies in China.

Disagreement over Marxist Leaders and Their Political Thought

From the mid-1960s to 1978 or 1979, the principal split in China was between radicals (variously led by Mao Zedong, Lin Biao, the so-called Gang of Four, and Hua Guofeng) and others. Positive views about either

[28] *Selected Works of Deng Xiaoping (1975-1982)* (Beijing: Foreign Languages Press, 1984), 151-65, 172, 356-59.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Soviet Union or the West and Japan were generally submerged in the struggle of the "others" to resist or overturn radicalism on domestic matters. By late 1978, the battle against the radicals had largely been won.[29] Over the next year or two, another split opened between two groups that might be called orthodox supporters and reformers, centralizers and market advocates, or forces favoring maintaining party control and those favoring widening freedom. Although these conventional labels seem simplistic, they capture the general lines of variation that also pertain to views on the Soviet Union. Despite this degree of oversimplification, I will use the labels "orthodox" and "reform" to differentiate views in this field. Table 4 identifies some of the divisions I have observed.

In the most visible manifestation of an orthodox-reform split in China since the Third Plenum, the 1983-1984 campaign against spiritual pollution focused on two targets, both of which have implications for Soviet studies: contamination emanating from the capitalist world, and reinterpretations of Marxist thought. While the West is considered the primary source of spiritual pollution, the Soviet Union is thought of as a fellow victim, which is also, as occasional translations point out, struggling to resist contamination.[30] Other translations make no secret of the fact that Soviet officials have staunchly repudiated efforts within the international communist movement to reinterpret the disputed concepts of alienation, human nature, and humanism.[31] In recent years, China's "middle ground" has been an open door to the West, maintaining watchful scrutiny of what comes in, as well as a limited, creative reexamination of Marxist ideology wary of the stifling legacy of dogmatism. By contrast, the campaign against spiritual pollution sought to close the door somewhat while at the same time extending the core of Marxist dogma to rule out themes that blurred the distinction between socialism and capitalism. In both cases, the campaign called for drawing a firmer line between China and the capitalist world—in effect placing China more solidly in the bloc of socialist countries.

The hidden target in treatments of alienation was what Maoists called the "new bureaucratic stratum" (*xin guanliaozhuyizhe jieceng*)—primarily officials with a vested interest in their own privileges, who have lost contact with the people. Allegations that alienation exists under socialism

[29] Schram (fn. 17).

[30] Liao Guangqing and others, "Sulian jiaqiang yishi zhuangtai gongzuo, fanji xifang sixiang cantou" [The Soviet Union intensifies work to shape consciousness, to counteract the penetration of Western thought], *Shijie jingji yu zhengzhi neican* (No. 4, 1984), 28.

[31] Lin Li, "Sulian zhexuejie guanyu rendaozhuyi lilun de yanjiu" [Research of Soviet philosophical circles concerning humanistic theory], *Sulian dongou wenti* (No. 1, 1983), 46.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

imply the existence of such a stratum. When the Chinese stopped referring to the Soviet system as "revisionism" and the "restoration of capitalism," they also stopped writing about privileged Soviet officials. The tightening of ideological controls, which some Chinese went so far as to label a "little Cultural Revolution," contributed to a more positive outlook on Soviet society and hesitation to examine class relations in the U.S.S.R. The abrupt end of the campaign against spiritual pollution and the reappearance of articles on alienation and humanism had the potential of leading to more critical writings on Soviet social classes, but the increasingly warm relations with the Soviet Union may have had an opposite effect. Even persons with a relatively favorable view of the Soviet Union could condemn the viewpoint of the preceding campaign as more like Stalinism than contemporary Soviet policy, finding parallels in the Chinese debates and such Soviet concepts as "Marxist humanism."

The clash over interpretations of alienation, humanism, and human nature was only part of a debate that ranged over the entire spectrum of Marxist ideology. Marx's early writings were the immediate focus of the campaign. Reformers had been writing for at least three years about Marx's early interest in the psychology of the individual, which was construed to suggest the universal applicability to socialist and capitalist countries alike of notions of alienation and humanism. The orthodox camp, backed by selected translations of Soviet scholarship, resisted the idea of separating early Marxian thought, or of the relevance of Marx's early ideas to socialist societies.[32] Meanwhile, a similar debate was taking place about how to interpret Lenin's late writings. In the second half of 1984, after reform writings on humanism and alienation resumed, such discussions were coming increasingly to the fore. In this case, the reform side has stressed the final years of Lenin's leadership and thoughts, and associated them with the moderate policies of the Soviet Union's New Economic Policy: encouragement of private entrepreneurship, recognition of the need for market incentives for farmers in an economically backward rural society, tolerance of and relative freedom for diverse social groups, and invitations to foreign investors and experts.[33] Chinese theorists pointedly draw attention to the inadequacy of earlier translations of Lenin's works and even to the inadequacy of Stalin's views on Lenin.[34] Because China's own reforms had been pre-

[32] "Lishixuejia tan rendaozhuyi" [Historians discuss humanism], *Shijie lishi* (No. 2, 1984), 1-17.

[33] Shang Dewen, "Lun Liening xinjingji zhengce zhong guanyu shangpin jiaohuan he ziyou maoyi de lilun" [On Lenin's theory of commercial exchange and free trade in the NEP], *Jingji kexue* (No. 5, 1984), 68-72, 78.

[34] Su Shaozhi, "Xiang Liening nayang chuangzaoxing de yunyong Makesizhuyi: huanying 'Liening quanji' zhongwen dierban de chuban" [To apply Lenin's kind of creativity to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 4

RANGE OF VIEWPOINTS ON THE SOVIET UNION AMONG CHINESE SPECIALISTS

	Orthodox	*Middle Range*	*Reform*
		General Perspective	
Overall view	Increased central control	Balance between control and freedom	Increased freedom
1983-84 position	Anti-spiritual pollution	Cautious open door	Universal problems of humanism and alienation
Model of socialism	Shift toward Soviet model	Hungarian model	Shift toward Yugoslav model
Economic strategy	Shift toward central planning	Keep current balance	Shift toward market forces
		Views on Theorists and Soviet Leaders	
Marx	De-emphasis on early Marx	Marxism 100% without dogmatism	Praise of early Marx
Lenin	Focus on Lenin's party control	Leninism 100% without dogmatism	Praise of late Lenin and NEP
Stalin	Stress on Stalin's achievement	Stalin 30% bad, 70% good	Bukharin alternative preferable
Khrushchev	Rejection of Khrushchev's bungling	Khrushchev 70% bad, 30% good*	Praise of early Khrushchev
Brezhnev	Praise of Brezhnev, but reforms insufficient	Brezhnev 30% bad, 70% good*	Criticism of Brezhnev's political system
Andropov		Andropov about 90% good, but brief*	
Chernenko		Chernenko, a collective leader, but lacked vigor	
		Gorbachev? Prospects for vigorous reform	

* The weighting is my own, based on a reading of Chinese publications and on discussions with specialists. This brief table necessarily oversimplifies what are sometimes complex views of a socialist system.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sented as parallel to the NEP policies, the orthodox group could not easily mount a counterattack against the new interpretations. Nevertheless, they have managed to present a less negative verdict on War Communism, to give more weight to earlier writings of Lenin and his concerns for maintaining central control, and to argue the "fundamental agreement" between Lenin and Stalin.[35]

Marx and Lenin—even though their writings are no longer treated dogmatically and Lenin is praised for his self-criticisms of mistakes in the War Communist period—remain unassailable figures; differences of opinion about them tend to be expressed obliquely and to be carefully nuanced. In the case of Stalin, Mao's statement in 1956 that Stalin was 30 percent bad and 70 percent good opened the way for further criticism.[36] Perhaps the liveliest debates in the Soviet field between 1980 and 1984 centered on the rise of Stalin, the Bukharin alternative, and Stalin's economic model. Stalin was criticized for breaking the alliance between workers and peasants, collectivizing prematurely, and making other serious errors in disregard of Lenin's blueprint for socialism.[37] A more orthodox group resists many of the negative evaluations of Stalin, including the conclusion that all-out collectivization in 1929-1930 was a mistake.[38] Although much less has been written about the middle years of Stalin's leadership, a reform view can be discerned in the weight given to some criticisms of the loss of democracy and of Stalin's purges.[39]

Marxism: welcome the second Chinese edition of "Lenin's complete works"], *People's Daily*, October 12, 1984, p. 5.

[35] Zhou Huizhen, "Lun Suweiai Eguo xiang shehuizhuyi guodu de lishi jingyan: jinian Liening danchen yibaiyishi zhounian" [On the historical experience of Soviet Russia leading into the socialist transition: in commemoration of the 110th anniversary of Lenin's birth], *Zhengzhou daxue xuebao* (No. 2, 1980), 1-10.

[36] References to Mao's 1956 evaluation of Stalin frequently surfaced in my interviews. Most specialists contend that the ratio of 3:7 is still accepted, but a few reform figures preferred a ratio of roughly 5:5.

[37] Chen Huiyun, "Sulian guojia zibenzhuyi wenti chutan" [Preliminary inquiry into problems of Soviet state capitalism], *Shijieshi yanjiu dongtai* (No. 8, 1984), 24-28; "Shilun xin jingji zhengce yu ershiniandai Sulian dangnei douzheng" [Discussion of the NEP and the Soviet internal party struggle of the 1920s], *Sulian lishi* (No. 1, 1984), 47-59; Wei Shaobo, "Sulian xiandaishi dierci taolunhui zungshu" [Overview of the second conference on Soviet contemporary history], *Shanghai shifanxueyuan xuebao shehuikexue ban* (No. 2, 1984), 118-22; Li Renfeng, "Sulian nongye jitihua de jingyan jiaoxun" [Lessons from the experience of Soviet agricultural collectivization], *Jingji yanjiu cankao ziliao* 435 (March 9, 1981), 32-49; Li Yuanshu, "Sidalin shiqi Sulian zhengzhi zhidu jianshe de jingyan yu jiaoxun" [Experiences and lessons from the establishment of the Soviet political system in Stalin's time], *Sulian dongou wenti* (No. 4, 1984), 40-47.

[38] Xie Youshi, "Sidalin shiqi Sulian jiti nongzhuang fenpei zhidu zhong cunzai de jige wenti" [Some problems in the distribution system in Soviet collective farms in Stalin's time], *Sulian lishi* (No. 2, 1984), 63-69.

[39] Liu Zhi, " 'Yiguo shehuizhuyi' yu Sidalin moshi: Sulian shehuizhuyi daolu yanjiu zhier" ["Socialism in one country" and the Stalin model: a second study on the Soviet socialist path], *Sulian lishi wenti* (No. 1, 1984), 1-19.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Finally, specialists on the Soviet Union also diverge in their views of the late Stalin years; even so, one can detect a common negative judgment of the increasingly outdated Stalinist economic model.[40] To the extent that Stalin's policies are found wanting, his contributions to socialist theory are also criticized. The debates over Stalin continue; those who support him justify his policies as necessary for rapid economic growth and the defense of socialism in World War II. As long as Mao's contributions are regarded as largely positive, it will be difficult to repudiate Stalin—in many ways his Soviet analogue.

Specialists also give mixed ratings to some post-Stalin leaders and ideologies. The most negative evaluations are those of Khrushchev, as I have estimated in Table 4. As in the case of Stalin and Brezhnev, Khrushchev's late years are treated more harshly than his early ones. He is depicted as an inconsistent bungler who, while correctly perceiving the need for reforms, increasingly erred in his methods and policies.[41] Chinese scholars continue to assail Khrushchev's one-sided condemnations of Stalin as well as his overtures to antisocialist elements such as Solzhenitsyn.[42] In the sources available to me, I could not detect any strong reform current in favor of Khrushchev.

Contrasts are pointed out between the early Brezhnev, the moderately assertive economic reformer with largely positive results, and the late Khrushchev, the rash improviser, and even the late Brezhnev, the ineffectual reformer who watched almost helplessly as economic growth slowed precipitously.[43] Whereas Khrushchev left an ideological mess because of his repudiation of Stalin, his vacillation on reforms, and, above all, his impetuous claims that communism was around the corner, Brezhnev provided stability and a greater sense of reality. Nevertheless, Brezhnev's theoretical statements on development offered only limited improvement. By declaring prematurely that the Soviet Union had established "developed socialism," Brezhnev played down the need for widespread reform. The Chinese applaud Andropov's qualification of Brezhnev's theoretical mistake to the effect that the Soviet Union is only

[40] Wu Renzhang, "Lun sanshiniandai Sulian de jiti nongzhuang zhi" [On the Soviet collective farm system in the 1930s], *Sulian lishi* (No. 2, 1984), 60.

[41] Critical views on Khrushchev were expressed in many of my interviews, but I understand that in the field of literature and in some university courses Khrushchev's reforms are treated more favorably.

[42] Li Mingbin, "Sulian 50-60 niandai zhongqi de wenyi zhengce ji qi dui wenxue chuangzuo de yingxiang" [Soviet policies toward the arts in the 50s and 60s and their influence on literary creativity], *Sulian dongou wenti* (No. 2, 1984), 57-58.

[43] Zhang Kangqin, "Lueping Bolieriniefu shiqi de Sulian jingji" [Summary evaluation of the Soviet economy in Brezhnev's time], in Zhongguo Sulian jingji yanjiuhui, ed., *Sulian jingji (1982)* [The Soviet economy 1982] (Beijing, Renminchubanshe, 1984), 39-53.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

at the beginning stage of developed socialism. They rate Andropov highly as a reformer as well as a theorist, but consider Soviet problems and barriers to reform to have been too great for resolution in the brief 15 months of Andropov's tenure. In any case, they regard the consensus behind reform as a collective response that persisted under Chernenko and will now gain strength as a younger generation, led by Gorbachev, succeeds to the top leadership positions.[44] Despite initial positive impressions of Gorbachev, Chinese experts recognize that formidable obstacles remain before economic reforms will be successful.

Optimism about Soviet Socialism

A tenet that is never questioned in the articles written after the first stage of development of Soviet studies in China in 1979 is that the Soviet Union is a socialist society. Another unchallenged tenet is that socialism is superior to capitalism. It follows that sooner or later, even if not consistently in the past, the superiority of the Soviet Union over capitalist societies will manifest itself. At the same time, Chinese articles make it clear that the Soviet system is far from realizing its full potential. Mistakes occur under socialism; they occurred on a large scale in China for more than two decades and remain a problem despite the correct course followed since the Third Plenum in 1978; and they have occurred in the Soviet Union during all periods of its history. It is necessary to learn from one's mistakes. Communist leaders, rather than follow the discredited principle of "continuous revolution," must work along the recently approved principle of "continuous reform" in order to overcome their errors and to accelerate both the advance through socialism and the rate of modernization.[45] Within this accepted framework, optimists about the Soviet Union can minimize past Soviet problems and maximize recent reform efforts.

Economic growth—which most Chinese equate with moderniza-

[44] "Zuotanhui: Andeluopofu shiqi de Sulian jingji wenti" [Colloquium: Soviet economic problems in Andropov's time], *Sulian dongou wenti* (No. 4, 1984), 24 and 29-30; Liu Keming, "Sulian nongye luohou de yuanyin ji qi fazhan qianjing" [Reasons for Soviet agricultural backwardness and prospects for its development], *Sulian dongou wenti* (No. 6, 1983), 31; Luo Zhaohong "Cong Sulian jingji lilun kan gaige de kenengxing" [From Soviet economic theory, see reform possibilities], *Shijie jingji yu zhengzhi neican* (No. 8, 1984), 1; and Tang Zhuchang, "Andeluopofu shiqi de Sulian jingji tizhi gaige" [Reform of the Soviet economic system in Andropov's time], *Sulian dongou wenti* (No. 4, 1984), 19.

[45] Zhou Xincheng and Li Jun, "Shiying woguo jiakuai chengshi tizhi gaige de xuyao, jinyibu kaizhan Sulian dongou guojia jingji tizhi gaige de yanjiu gongzuo" [In order to meet the need of our country's accelerating reform of the urban system, we should take further steps to extend research work on reform of the economic system in the Soviet Union and East European countries], *Shijieshi yanjiu dongtai* (No. 11, 1984), 15-17.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion—is the foremost test of the success of a social system. Optimists vindicate Stalin's approach to socialism by pointing to the extraordinary rates of growth in an agrarian, still backward country. Late Lenin, early Khrushchev, early Brezhnev, and Andropov all merit praise because they presided over an increasing rate of economic growth. (In the case of Khrushchev, rapid growth occurred in some long-neglected sectors, but not in others.) War Communism and the late Khrushchev and Brezhnev eras were periods of insufficient or incorrect economic reforms and falling performance. This straightforward reasoning is bent only slightly to introduce a time lag for the late Stalin era; after World War II, the reimposition or persistence of a model that had worked in the 1930s meant that reforms were blocked, and that Stalin bears some responsibility for the slowing down of economic growth that followed his death.[46]

In 1983 and 1984, there were many comparative studies of economic growth and the barriers in its path. Those that directly compared Soviet and American growth rates invariably highlighted the faster Soviet ones over the long term and even the short term, and predicted a continued reduction in the gap between the two countries.[47] Even the comparisons centering on agriculture, acknowledged to be a problem sector in the U.S.S.R., show the Soviets gaining on the United States after 1955.[48] Although diminishing overall rates of growth in the 1970s and early 1980s—and especially grain shortfalls during these years—reveal serious shortcomings in the Soviet economy, the results are still considered to be superior to those of the United States, where business cycles lead to slow long-term growth. Moreover, even though the reforms under Andropov and Chernenko were limited, the Soviet Union is said to have managed to boost its growth rate somewhat.[49] The Soviet economy of the mid-eighties is considered to be operating well below the potential of its socialist system, but remains superior—in the view of most, but not all, specialists—in its rate of growth to that of its main capitalist rival.

Dozens of articles appearing each month keep Chinese specialists well informed concerning the potential for economic reform in the Soviet Union. Without denying the serious obstacles that still exist, these papers

[46] Li Yuanshu (fn. 37), 40-47.

[47] Wang Shuzhong, "Dui benshijimo yiqian MeiSu jingji shili duibi ji qi yingxiang de guji" [Estimates of the ratio of U.S.-Soviet economic strengths by the end of this century and their influence], *Shijie jingji* (November 1984), 27-33.

[48] Sui Houyan, "SuMei nongye bijiao fenxi" [Comparative analysis of Soviet and American agriculture], *Shijie jingji* (November 1984), 34-38.

[49] Wang Chongjie, "Sulian jingji de fazhan qushi" [Development trends in the Soviet economy], *Liaowang* (No. 52, December 24, 1984), 33-34.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

concentrate on Soviet writings that recognize the need for reform and on the experiments in progress. Two reasons are given for so much scholarly interest: the Soviet reform experience can be useful for China's own reforms,[50] and the outcome of Soviet economic reforms is seen as vital to the future balance of world power. On the whole, the Chinese take the recent reforms more seriously than do most Western observers, and are more optimistic about their effectiveness. If Soviet planning and controls remain more centralized than their Chinese counterparts, Chinese specialists tend to justify some of the differences as a consequence of the vast area and distinctive problems of the Soviet Union.

By omitting a number of topics, these studies of the Soviet Union also serve the cause of optimism. There are relatively few articles under the headings of history, politics, and law—particularly if we reclassify articles in the *National periodical index* on the 1920s and the 1980s that ostensibly treat these fields but are primarily intended to elucidate precedents and conditions for economic reform. The outcome of the political and theoretical developments in the 1920s left Stalin's emerging economic model with insufficient conditions for later reform.[51] One possible result of political and theoretical developments in the early eighties might be the establishment of a reform-oriented approach to the Soviet economy, with prospects for renewed rapid growth. The Chinese have emphasized these periods while publishing relatively little about the political consequences of Stalin's rule, the reforms of the Khrushchev era, and the controls on Soviet citizens in recent years. Few doubts are raised about the correctness of social class relations in the Soviet Union, and surprisingly little has been written about the pre-1917 historical roots of the Soviet domestic system. Even if we use the broader index classification, only some 10 to 15 percent of the articles appear under the heading of politics and law. Many of these are translations or compilations rather than independent analyses; we do know, however, that Chinese scholars often express their true opinions through selective translations. Although articles on Soviet foreign relations were numerous at the end of the seventies, that is no longer the case.

Writings on other subjects tend to be optimistic in that they recognize, even if implicitly, the socialist character of Soviet life. Ten to fifteen percent of the articles published each month on the Soviet Union in

[50] *Sulian he bufen dongou guojia jingji gaige* [Economic reforms in the Soviet Union and a group of East European countries] (Beijing: Zhongguo shehuikexueyuan, 1981), preface, p. 2; Zhou Shincheng and Li Jun (fn. 45).

[51] Feng Shengbao, "Lun Sulian zuigao suweiai zhidu de jige wenti" [On some questions about the Supreme Soviet system in the Soviet Union], *Sulian dongou wenti* (No. 2, 1984), 38-43.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

such fields as education, psychology, sociology, and the social sciences in general convey a mood of willingness to learn about Soviet disciplines and teaching methods. The Chinese have been eager to catch up on developments that occurred in the Soviet Union after they were cut off from contacts about 20 years earlier. Roughly 20 percent of the articles published are on literature, language, the arts, and sports. Little notice is given to dissidents or emigrés, though there are specific criticisms of Solzhenitsyn as anti-Soviet and antisocialist.[52] Khrushchev is blamed for encouraging such authors in order to further his own political ends. On the whole, the appeal is to a common tradition of socialist realism, and the attitude toward contemporary Soviet literature is one of curiosity and appreciation.[53]

Optimism about the Soviet Union is reflected in the balance of what is said and what is omitted in evaluations of Soviet society and of the Soviet Union's international role in historical perspective. The following themes appear repeatedly: (1) The October Revolution was the turning point in human history; the revolutionary traditions on which it built and those it established are also the basis of China's communist traditions. (2) The Soviet Union completed the transition to socialism by the mid-1930s and has remained a socialist society since that time, continuing in all periods and under all leaders to advance, albeit at a diminishing rate, its socialist system. (3) The Soviet Union played a largely positive role in the history of the communist movement internationally and in China up to 1949; it provided helpful economic assistance and military backing in the 1950s when imperialism was threatening China. (4) When China followed the Soviet model most closely before 1958, it achieved rapid growth and the best overall gains in modernization of any era in its history, with the possible exception of the contemporary period since the Third Plenum of the Eleventh Congress in 1978. (5) The Soviet Union and China have a lot in common; they began their reforms in the second half of the 1950s from the same model of socialism, and although the Soviet reforms were intermittent and insufficient, they were generally superior to those that China instituted before 1979; they can help guide China's reforms today. (6) In the 1980s, the Soviet Union has moved toward reform, to some degree recognizing diversity in the socialist world and opening the way for increasing equality and a shared worldview among socialist countries. (7) Capitalist society, whatever its present superiority in modern science and consumer goods, is decadent

[52] Li Mingbin (fn. 42), 52-58.

[53] Wu Yuanmai, "Liening wenyi sixiang yanjiu zai Sulian" [Research in the Soviet Union on Lenin's artistic thought], *Sulian wenxue* (No. 5, 1984), 23-30.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and historically determined to be replaced by socialism. (8) Although imports and investments from the capitalist world are desirable, the danger of spiritual pollution threatens both China and the Soviet Union, which face the common problem of developing a distinctively socialist approach to law, education, the social sciences, the arts, and so forth.[54] Positive views such as these appear often in writings about the Soviet Union, although they are usually presented with qualifications.

Even in the area of foreign policy, where Chinese analysts are most critical of the U.S.S.R., the history of Soviet-American relations is largely interpreted in favor of the Soviet side. American imperialism is considered at fault in the Western intervention in the Soviet civil war in 1918-1920, in intervention in Chinese civil strife and civil war from the 1920s through the 1940s (continuing to the present in the case of Taiwan), and in other major disputes between the socialist and capitalist worlds over two-thirds of the 20th century.[55] The writers generally agree with the Soviet interpretation of every war involving the United States in the past 60 years.[56] Although they are critical of mistakes made by the Soviet Union (especially in its relations with China), they consider them to be minor in comparison to the wrongdoings of imperialism. For example, a 1984 article by Hu Zhifeng found the United States to have been at fault in the late 1940s at the beginning of the cold war: it threatened the Soviet Union, which wanted a peaceful international environment, forcing it to create a military bloc of the socialist states. According to Hu, the Soviets sought a democratic, peaceful, independent Japan, but were thwarted by the Americans, who—in violation of treaty obligations—denied the Soviets a role in the Japanese occupation and insisted on making Japan a military bridge to the Asian mainland.[57] Although common interpretations of the history of relations between the socialist and capitalist blocs do not prevent Chinese scholars from criticizing Soviet "hegemonic" superpower behavior from the 1950s to the present,

[54] Zhang Tianen and Jin Shibo, "Dui Sulian jiaoyu zhidu de jige kanfa: luelun zuijin ershinianlai de gaige dongxiang" [Some views concerning the Soviet educational system: an overview of the direction of reforms in the most recent two decades], *Waiguo jiaoyu* (No. 4, 1981), 7-10.

[55] "Shijieshi suo zhaokai Sulian zaoqi duiwai zhengce wenti xiaoxing zuotanhui" [The Institute of World History organized a colloquium on early Soviet foreign policy problems], *Shijieshi yanjiu dongtai* (No. 11, 1984), 45-46.

[56] See, among other sources that provide evidence for this conclusion, Wang Yiying, "Zhanhou chuqi SuMei zai dongou de duikang he Sudong guanxi" [Early postwar Soviet-American opposition in Eastern Europe and Soviet relations with the East], *Sulian dongou wenti* (No. 1, 1984), 26-32.

[57] Hu Zhifeng, "Duiyu zhanhou Sulian dui dongya zhanlueh de lishi fenxi" [Historical analysis concerning postwar Soviet strategy toward East Asia], *Zhengzhi yanjiu* (No. 1, 1984), 1-11.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

they must be regarded as a factor tilting China toward the Soviet worldview of the history of international relations whenever it clashes with the American worldview.

A cautiously positive view of the Soviet Union is deeply rooted among Chinese specialists. It revived quickly within just a few years after Mao's death partly because the harsh, antagonistic judgments of the sixties and seventies were not supported by scholarship; they could easily be dismissed as implausible in the context of China's self-criticisms and ideological reversals at the end of the seventies. Optimism about the Soviet Union has gained strength from deeply entrenched shared traditions, mostly contributed by Russian writers such as Belinsky, Chernyshevsky, Gorky, and Sholokhov—all of whom figure frequently in Chinese writings on Soviet history and literature.[58] In each country, Lenin is the principal ideological authority. He is the only unimpeachable source and wholly positive 20th-century historical figure. The Chinese needed ideological and historical justification for the socialist nature of their reforms—the open door policy, the rural responsibility system, and the October 1984 urban reforms. They found it in the Soviet Union's New Economic Policy of the 1920s and in comparisons of post-Stalin reform trends in Eastern Europe and the Soviet Union; these are seen as induced by problems similar to those faced by China, and leading in the same direction as China's reforms.

By means of comparisons, Chinese leaders place their country in the middle of a tripartite socialist world. They assert that there are multiple paths to socialism; variations relate to distinct national conditions and to different stages of development.[59] At one extreme is Yugoslavia, where market forces and price mechanisms prevail and there is little public property. At the other extreme is the Soviet Union, where individual enterprises have little authority and market forces have little scope. In-between is the Hungarian model, which China most approximates, where state planning and market forces are in closest equilibrium. Not only is China respectably centered in the middle; its move away from the Stalinist model of central control is also consistent with decentralization and contract systems in each of the East European countries and the Soviet Union. The optimistic view does not preclude friendly en-

[58] These views are expressed in the journal *Sulian wenxue*; see, for instance, an article by Zhang Yu, "Fang Su jianwen diandi" [Miscellany on a visit to the Soviet Union] (No. 3, 1984), 79-84.

[59] Zheng Yifan, "Lun Buhelin shehuizhuyi jingji jianshe sixiang" [On Bukharin's thought about socialist economic construction], *Shijie lishi* (No. 4, 1984), 11-24; Wu Renzhang and Jia Lianyi, "Jinnianlai Sulian fada shehuizhuyi lilun de xin bianhua" [New changes in recent years in the Soviet theory of developed socialism], *Sulian dongou wenti* (No. 3, 1984), 23.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

couragement of reforms that will move the Soviet Union further from its outdated Stalinist model and closer to the center of the socialist world. Such encouragement is muted, however, by acceptance of the principle of diversity under socialism; Soviet conditions are different from those of China, and it is not for the Chinese to tell the Soviets what would be best for them, or to suggest that one form of socialism is ideologically purer than another.

Pessimism about Soviet Reforms

Predictably, none of the authors write that socialism will fail in the Soviet Union, that capitalist countries will prove superior, or even that there will be convergence between the Soviet Union and nonsocialist countries. At most, they convey a pessimistic attitude about the prospects for change in the short run. They may find deep-seated failures in Soviet history, or stress the great difficulties besetting reforms that turn away from the Stalinist model, or predict that a long and arduous reform process lies ahead.[60] Phrasing their concerns in Marxist terminology, these writers observe that Soviet leaders have not decided how to align the Soviet superstructure with the advanced economic substructure that now exists. Theoretical and political factors are said to have blocked, and to continue to work against, reform proposals. Specialists fault Soviet leaders, above all, for lacking a sense of urgency about problems that continue to plague their country.

A number of reasons are mentioned for some degree of pessimism about the Soviet Union: (1) The Soviet interpretation of Marxist-Leninist ideology is too dogmatic and does not sufficiently encourage reforms based on actual conditions. (2) The Soviet Union does not learn from the experiences of other socialist countries, and has yet to recognize the diversity of socialism and the opportunities presented for borrowing ideas from them. (3) The Soviet economy is unbalanced; it is unlikely to regain an adequate equilibrium as long as the arms race with the United States diverts resources from light industry and agriculture.[61] (4) The aged leaders of the Soviet Union do not adequately understand or reflect the people's aspirations for reform. (5) The legacy of Stalin—in theory and political life as well as in economic matters—needs to be repudiated in order to elicit popular participation and to motivate in-

[60] Lin Shuiyuan, "Sulian jingji gaige lilun de yixie xin bianhua" [Some new changes in Soviet economic reform theory], *Sulian dongou wenti* (No. 4, 1984), 14-18.

[61] Liu Guoguang, Liu Suinian, and Zheng Li, *Sulian jingji guanli tizhi kaocha ziliao* [Investigative materials on the Soviet economic management system] (Beijing: Zhongguo shehuikexueyuan, 1984), 191.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

creased individual productivity in the workforce.[62] (6) Self-induced barriers to good relations with countries in the Third World and with some capitalist countries stand in the way of increased involvement of the Soviet Union in the world economy and a more peaceful international environment, including better relations with China. These factors are mentioned in writings on a wide range of topics, such as Marxist-Leninist theory, Soviet foreign relations, the Soviet economy in recent decades, historical evaluations of Stalin and his model of socialism, and explicit or implicit comparisons with the United States and other capitalist countries. Diverse articles on these topics offer opportunities for commenting critically on the Soviet Union.

The heady days of adulation for "Big Brother" are long gone. The Chinese firmly proclaim their country's independent foreign policy and the special characteristics of Chinese socialism. There is no evidence that any responsible leader or scholar advocates a renewed relationship of dependency on the Soviet Union. To some degree, all Chinese specialists convey a negative attitude toward a resumption of the relationship of the 1950s. They also share a growing pride in what China has accomplished since the Third Plenum. Until Soviet leaders accept China's new brand of socialism as authentic and recognize China's equality and independence in a multicentric socialist world, negative views of the Soviet Union will remain linked to Chinese patriotism.

The pessimists also gain support from the historical perspective of what went wrong in China, causing such debacles as the Great Leap Forward and the Cultural Revolution. They partly blame Chinese history, especially its legacy of backwardness that was still evident in 1949. They accuse their communist leaders, including Mao in his later years, of committing serious mistakes. Yet, in considerable measure, they have also shifted the responsibility to what they learned about socialism from the Soviet Union. Specialists—and to some extent Mao himself in his writings on Stalin—assert that the theory and practice of socialism introduced into China during the Stalinist era led to such problems as overcentralization and insufficient democracy. Following the Soviet model, the Chinese equated progress toward communism with increasing public ownership and large-scale units of production.[63] Whereas Soviet critics contend that China's failures resulted largely from rejecting socialism as the Soviets perceive it, the Chinese worldview now associates

[62] Liu Yichang and Liu Yanyu, "Sulian zhengfu tizhi qianxi" [Analysis of the Soviet government system], *Sulian dongou wenti* (No. 6, 1983), 1-6.

[63] The consequences of the Stalinist legacy in economic theory are discussed in Lin Shuiyuan (fn. 60), 14-18.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

China's failures with excessively copying the Soviet model. The Soviets date China's sharp break with that model to the end of the fifties and, more decisively, to the mid-sixties, while the Chinese place it at the time of the Third Plenum in 1978.[64] The implication here is that only by moving away from the original Soviet approach could rapid modernization be resumed. Reformers continue to see the Stalin model as a negative force in China; for instance, in February 1985 Su Shaozhi wrote that China needed much greater freedom of scholarship rather than the sort of political interference that caused tremendous damage to the agricultural and biological sciences in Stalin's time.[65]

Negative assessments of the Soviet Union do not add up to a strong case for pessimism because the Soviets are perceived as already addressing many of their internal problems. The centralized, Stalinist model was the common starting point of socialist countries in the 1950s. Repeated reforms over the past 30 years have demonstrated that this model can be changed. The Soviets have changed it, are convinced of the need for reform in the 1980s, and under Andropov made a good start at transforming their system into one that should work better. Consensus on these views of incipient Soviet reforms does not prevent pessimism that no breakthrough is likely in the near future.

Lines of analysis that have not been explored could potentially lead to a more sweeping repudiation of the Soviet system. While moving rapidly to develop the comparative study of socialism in Eastern Europe and the Soviet Union, the Chinese have yet to undertake wide-ranging comparisons of the Soviet Union and capitalist countries such as the United States or Japan. While there are Soviet analyses of social-class relations in China, there are few Chinese studies of social classes in the Soviet Union. Little attention is paid to Soviet dissidents and emigrés, and many Western interpretations of the Soviet Union—for instance, of the Khrushchev era—are dismissed as one-sided.[66] In short, there is no far-reaching comparative or social structural analysis of Soviet society.

[64] I have discussed the Soviet view in Rozman (fn. 1). The Chinese view of the persistence of the Soviet model in China until at least 1979 was mentioned in many of my interviews—for instance, in my meeting with the foreign relations section of CASS's Institute of the Soviet Union and Eastern Europe, headed by Xing Shugang, on December 20, 1984. Cf. *Sulian he bufen dongou guojia jingji gaige* (fn. 50), introduction.

[65] Su Shaozhi, "Xueshu ziyou yu xueshu fanrong" [Freedom of scholarship and the flourishing of scholarship], *Wenhuibao*, February 4, 1985, p. 4.

[66] Shu Yan, "Ba dui Sulian dongou wenti de yanjiu xiangqian tuijinyibu: zaijing bufen Sulian dongou wenti zhuanjia, xuezhe zuotanhui zongshu" [To take a step forward in research on problems of the Soviet Union and Eastern Europe: summary of a conference of a group of specialists and scholars in Beijing on problems of the Soviet Union and Eastern Europe], *Shijie jingji yu zhengzhi neican* (November 1984), 3; Zhou Xincheng and Li Jun (fn. 45), 19.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Chinese specialists on the Soviet Union are not likely to espouse pessimism. Their associations with the Soviets in the 1950s brought them prestige at home and opportunities to travel abroad. If China had not changed course, they could have looked forward to increasing rewards and responsibilities. For these intellectuals, China's departure from the Soviet model was accompanied by national and personal grief and sacrifice. Reacquaintance with the Soviet Union in the late seventies and early eighties brought the refutation of distortions that had been spread within China, and surprise at the material improvement that had occurred in the U.S.S.R. in such spheres as housing and rural mechanization. These scholars could now look forward to new opportunities to travel and make use of their special skills. Not only the academic specialists on the Soviet Union, but an entire generation of experts and bureaucrats who finished their higher education and started their careers in the 1950s are thought to be partial to or nostalgic about the Soviet Union.

A negative view is more likely to emerge from outside the specialized literature in this field. There are at least three possible sources: generational, Marxist, and business. The obvious generational split is between the Soviet-trained cohort one or two rungs below the top leadership and those who are 20 to 30 years younger, were trained in the West in the 1980s, and are now beginning to enter academic, official, and trade-related professions. Influenced by Western views of international relations, some members of this younger generation have even studied about the Soviet Union in the West or in Japan. Their attitudes are not likely to be reflected in specialized writings about the Soviet Union, but in technical studies in such fields as international economics and theories of international relations. In their outlook, they may resemble millions of young people—the reputed targets of spiritual pollution—who are eager to study English, to learn about Western culture, and to partake of the latest fads in music and fashion. This generation is reluctant to study Russian and to take courses on Soviet literature.[67] It is said that some teenagers even change schools to avoid studying Russian.

Rejection of the Soviet Union on the grounds of Marxist ideology may originate with those who do research on or have contacts with the international communist movement. Without being Soviet experts, they may write favorably about Bukharin. Refuting the harsh Soviet condemnations of the Maoist path to revolution before 1949, they affirm that China needed to disregard Soviet advice and direction in quest of

[67] Fu Xichun, "Jiaoxue mudi ji 'suo shang qingxu' " [The goals of teaching and "what appeals to the emotions"], *Sulian wenxue* (No. 1, 1984), 93.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

success in its revolutionary struggle. Their views, which are mindful of past Soviet attempts to dominate Yugoslavia as well as communist movements in and out of power throughout the world, are difficult to reconcile with a positive stand on the Soviet Union.

Of late, a new constituency has been building connections with the West within the world of business. Linked to Western companies by trade and investment, managers and technical specialists see the advantages of close ties and may fear the consequences of a positive reassessment of the Soviet Union.

None of these groups is likely to inquire into domestic conditions in the U.S.S.R. The relative optimism about the Soviet Union among specialists may therefore not represent a broad popular reaction or even the community of international affairs experts. Controls have not yet relaxed sufficiently, however, for one to imagine that the current literature on the Soviet Union represents only the nostalgic cravings of a reassertive generation. It seems more likely that this literature reflects the general position of the Chinese leadership and the Communist Party. Above all, that position is designed to defend socialism in China while obtaining accurate information on the Soviet Union. Keeping pessimism about the U.S.S.R. within bounds, leaders also open the way for improved relations with that country.

Reports on Conferences in China

The above remarks should be placed in the context of recent reports on two conferences which were published in the journal *Internal reference on world economies and politics*. The first of these, on November 15, 1983, was intended to brief a delegation to Italy, France, and Belgium representing the China People's Consultative Conference. A synopsis of the report by Huan Xiang appeared as the first article in the January 1984 issue of the journal. The second conference met early in September 1984. It was organized for Soviet specialists and students in Beijing by the editorial board of the journal in order to stimulate deeper research on problems in this area.

At the first conference, Huan Xiang notes that people throughout the world are interested in China's view of the two hegemonic powers. He comments on the view that China should treat the United States and the Soviet Union equally:

> In fact, we have not treated America and the Soviet Union alike because America and the Soviet Union are different in their attitudes toward China. As for the present military threat to our country, that of the Soviet

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> Union in comparison to America is more direct, sharper, and more serious. This is because the Soviet Union has concentrated an army of one million on our border and simultaneously deployed SS-20 intermediate-range rockets. Besides this, it has invaded Afghanistan, supports Vietnam, plots from south to north to encircle China. Moreover, these troops are all in a state of military readiness. Therefore the Soviet threat is a direct threat. America is also a danger to China, but in comparison to the Soviet threat, America's is not so direct. America's threat to China is above all reflected in the Taiwan question. America plots to begin by controlling Taiwan, making it a forward-lookout outpost toward China (also toward Japan), while simultaneously calculating to apply pressure against China. American support of Taiwan, the indirect obstruction of Taiwan's return to the motherland, is a very big threat to China. The so-called America-Japan-Korea alliance, although it calls itself the spearhead for facing the Soviet Union—and this of course also corresponds to reality—actually must be seen to be targeted against China, and one also observes the [ASEAN] five-country alliance as a threat toward China. In this situation, our view of the two superpowers is not the same. The Soviet Union we regard as dangerous, a direct military threat; American force we regard as dangerous and comparatively latent; militarily it is rather an indirect threat. Precisely because these views are different, there is some difference in our foreign affairs behavior.[68]

This quotation reflects official thinking at the end of 1983; there appears to have been a shift in 1984 toward the equidistant position that Huan attributes to some people.

The second report was delivered by Shu Yan, who notes that an entirely new situation developed in research toward the Soviet Union and Eastern Europe after the Third Plenum of the Eleventh Congress: "After notable increases in research organs, personnel, activities, and periodicals, it is possible to say that this field has comparatively strong personnel and a comparatively secure foundation." This is public recognition that the field has matured to a rather high level. Shu comments that a lot of research work, including some comparative research, has been done in the past; but mainly, this type of comparative research contrasts "before and after" in the history of separate countries, and contrasts these countries. Although these comparisons are without doubt necessary, they are limited. They may easily lead us to overlook the historical mission of socialism and its fight to a victory over capitalism on a world scale.

> If one compares various aspects of economic development (especially economic productivity) in the East European countries in which reform has gone comparatively well with corresponding advanced capitalist countries,

[68] Huan Xiang, "Ouxing guangan" [Impressions of European travel], *Shijie jingji yu zhengzhi neican* (January 1984), 1-2; translation by the author.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

there is still a very big gap; even in the period of reform, the gap has widened further. This means that economic construction in socialist states has been far from ideal, reform of the socialist economic system still has not been very successful; therefore the superiority of the socialist system still cannot have been completely manifested.

Seen from the tendency of historical development, the socialist system is superior to the capitalist system; that is without any doubt. Therefore the economic development level of socialist states and the economic productivity it creates ought more and more to approach and surpass that of the capitalist countries.

This approach demands, according to Shu, that the field of vision be raised and broadened from the Soviet Union and Eastern Europe "to the scale of the whole world, to examine and research problems of the Soviet Union and Eastern Europe from the viewpoint of the final victory of socialism over capitalism." Shu adds that, by comparing the Soviet Union and Eastern Europe with advanced capitalist countries, Chinese analysts will look for the reasons for backwardness and point out errors in socialist policy and ways to transfer or improve capitalist ways for use in socialist countries.[69]

Other recommendations made at the September 1984 conference include: (1) to strengthen comparative studies of the Soviet Union and Eastern Europe and China; (2) to deepen research that links reform of the economic system to the political system and other dimensions—i.e., multifaceted research including study of the relatively great political barriers to economic reforms; (3) to link historical and contemporary questions—e.g., how to evaluate comparatively the Lenin and Stalin periods, and especially the Khrushchev and Brezhnev periods, as well as the brief Andropov and Chernenko periods to the present; (4) to appraise international and domestic elements jointly, including the mutual influence of reforms in the Soviet Union and East European countries; (5) to link economic and political questions, with research on philosophy, religion, literature, and the arts, especially the disputes on contradictions in socialist countries in Soviet philosophical circles; and (6) to carry out a single comprehensive analysis of the Soviet Union and Eastern Europe. This is an ambitious agenda for the development of Soviet studies. It provides encouragement to research into previously sensitive areas, and may thus indicate a new openness in Soviet studies and a shift away from the one-sidedly optimistic views on socialism that were prevalent in the period that was mainly concerned with opposing spiritual pollution.

[69] Shu Yan (fn. 66), 1-2; translation by the author.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Shu continues by contrasting Western one-sided research on the Soviet Union and Eastern Europe and previous extreme leftist Chinese thought (such as that which branded the Soviet Union "revisionist" and "restored capitalist") with current Chinese research. He argues that even though the Chinese have gradually eliminated the influence of extreme leftist thought, dogmatic attitudes are still present in the field. He notes, for instance, that writers cite isolated phrases by revolutionary teachers as if they were the sole standard for socialism, and that it is still relatively common in theoretical circles to take a dogmatic attitude toward Marxism, thereby posing a barrier to solving actual problems.

The participants in the September 1984 conference recognized unanimously that

> we must emphasize research on problems of the Soviet Union and Eastern Europe because we and these countries all have come from a single model. Therefore . . . , research on Soviet and East European questions is actually research on ourselves; moreover, the research can frequently be carried out with a more objective attitude. We have the responsibility to advance further research on questions of the Soviet Union and Eastern Europe in order to serve even better the construction of Chinese socialism.[70]

Conclusions

A new, important school of Soviet studies has suddenly developed in China without attracting notice in other countries. In scale, it is second only to English-language publications on the Soviet Union. Its more than 20 specialized journals add substantially to secondary scholarship on the Soviet Union and Eastern Europe. The Chinese field of Soviet studies stands out for its up-to-date familiarity with Soviet sources, its keen interest in the process of economic reform, and its comparative socialist perspective. Chinese experts deserve respect for their deep insight into the workings of a socialist society. Given these circumstances, the Chinese language may now be third only to Russian and English as a useful tool for research on the Soviet Union.

Some barriers continue to prevent the full flowering of Chinese research on the Soviet Union. Above all, it is necessary to emphasize the isolation of this field. Although exchange programs are rapidly developing, few Chinese scholars have had useful research opportunities in the Soviet Union, or any substantial contacts with Soviet citizens in China, during the past two decades. Cut off from international scholarship—and even from their own scholarship—for a long time, the

[70] *Ibid.*, 3-4.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Chinese infrequently cite secondary sources. Huge gaps in library holdings make research on the 1960s and 1970s difficult and complicate other inquiries as well. Writings in Chinese are inaccessible to almost all Soviet specialists elsewhere, and virtually nothing has been translated into English. Added to all of these obstacles, the *neibu* system of restrictive publication essentially seals off this field from foreign scrutiny and interaction.

The field is a lively one, characterized by frequent conferences and numerous disputed issues. At the same time, there are shared premises: that the Soviet Union is a socialist society; its history demonstrates the superiority of socialism as compared to capitalism; and a process of reform is gaining momentum in the 1980s. Specialists pay great attention to assessing the most recent reform developments in the Soviet Union.

Recent views of the U.S.S.R. appear to have been quite impervious to short-term ups and downs in foreign relations. They were formed in the transition from Hua Guofeng's radical approach to Deng Xiaoping's pragmatic one, and may have become more optimistic in 1981-1982, when Soviet official statements on China became more encouraging; in 1983, when Andropov's domestic and theoretical reforms set the Soviet Union on a new course; and again in 1983-1984, when China's internal campaign called for socialist orthodoxy. Sino-Vietnam border clashes, the Soviet invasion of Afghanistan, and the slow progress in Sino-Soviet negotiations at certain sessions do not seem to have had a negative effect on appraisals of the Soviet Union's history and economy. Domestic considerations and a long-term view of the relations between socialist and capitalist states have been more important.

Scholarly writings on the Soviet Union cannot by themselves alter the course of Sino-Soviet relations. The burden is still on the Soviet Union to accept China as an equal, socialist partner and to conduct its military and foreign policy on the borders of China with respect for China's interests. If the Soviet side delays very long in alleviating these concerns, and if Soviet reforms do not boost the economic growth rate to provide improved grounds for optimistic assessments of Soviet prospects, time may work against positive views in China. In the tradition of Yugoslavia, the Chinese are asking the Soviet Union to accept a less centralized and more diversified socialist world. Their writings reveal that they are creating a strong scholarly foundation for this new type of socialism, and developments in December 1984 and March 1985 suggest that China's leaders are waiting patiently for a Soviet response.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

EUROPEAN PROTECTIONISM IN THEORY AND PRACTICE

By MILES KAHLER*

IN the 1970s, discussion of the international economy frequently turned to the emergence of a "new protectionism" among the industrial countries after the accomplishments of trade liberalization in the 1960s. International organizations such as the General Agreement on Tariffs and Trade (GATT) and the International Monetary Fund (I.M.F.) documented an increase in trade barriers erected against imports of manufactures. The protectionism was "new" in two respects: (1) it was directed against dynamic exporters of manufactured goods (especially Japan and the newly industrializing countries) that had recently become important elements in world trade; (2) the means of protection were nontariff barriers—quotas, voluntary export restraints, and a host of governmental impediments to competitive trading practices.[1]

The new protectionism, shared by all the industrial countries, was not new in one respect, however: it followed a pattern of interest-group determination that was familiar from other instances of industrial decline earlier in the postwar period (coal and textiles in particular). Protectionism remained an exceptional and *ad hoc* step, forced by domestic political pressures, not by any overarching view of national economic interest or strategy. Any defense of protectionist measures usually emphasized reducing the speed of adjustment or assisting senile or infant industries. The political economy of protectionism was thus reduced to weighting the costs of adjustments for particular groups against the widely held belief in the social benefits of free trade.

Since the mid-1970s, a "new, new protectionism" has appeared in Western Europe, the largest trading bloc in the world economy. The new, new protectionism is not limited to partial defenses or *ad hoc* responses. Its theorists attempt an assault on the edifice of free trade

* Earlier versions of this article were delivered at the Council for European Studies Conference of Europeanists and at the Swedish Institute of International Affairs, Stockholm. Research for the article was supported by the Ford Foundation World Economy Program.

[1] An early description of the new protectionism of the 1970s is given in *The Rise in Protectionism* (International Monetary Fund, Trade and Payments Division, Pamphlet Number 24, 1978). Also see Gerald Curzon, "Neo-protectionism, the MFA and the European Community," *The World Economy* 4 (September 1981), 251-62. A recent, and less alarmist, view of the new protectionism is by Helen Hughes and Jean Waelbroeck, "Foreign Trade and Structural Adjustment—Is there a Threat of New Protectionism?" in Hans-Gert Braun and others, eds., *The European Economy in the 1980s* (Aldershot, England: Gower Publishing Company, 1983), 1-29.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which is unprecedented in the postwar period. It is novel in a second respect as well: the intellectual undermining of free-trade ideology is coupled with economic programs or strategies that incorporate protectionism as a central, even essential element. Foreign economic policy takes on a new importance, not as a response to this or that interest group, but as an instrument of overall economic policy.

An examination and evaluation of the arguments of three protectionist schools or approaches, each representing one of the largest European economies, makes up the first part of this article. The Cambridge Economic Policy Group (C.E.P.G., or New Cambridge Group) in Britain, inheritors of the Keynesian Left (the Keynesian Right settled in Cambridge, Mass.) has perhaps the most coherent and longstanding protectionist strategy. In France, there is a much wider array of neo-protectionists: Jean-Marcel Jeanneney, André Grjébine, "Jacques Mandrin," and Pierre Juquin span the ideological spectrum and can be taken as representative. In Germany, neo-protectionism has found less ideological resonance, but a group of scholars associated with the Social Democratic Party has elaborated a neo-protectionist defense of the welfare state. Wolfgang Hager is taken here as representative of that group.

Despite the interest and importance of these new ideological turnings, however, it is their reflection in political programs and ultimately in economic policy that is the test of importance for the new, new protectionism. In the second part of the article, the probability that these neo-protectionist programs will affect the international trade regime through national policies is assessed; specifically, the possibility that existing, unsystematic trade restrictions may be transmuted into a more coherent structure through political parties and the social coalitions they represent. Only in France and Britain can some political underpinnings for neo-protectionist ideas be discerned at present; in practice, the shape of protectionism seems likely to differ from the arguments of its intellectual proponents. In examining the theoretical and political implications of these protectionists, descriptive and prescriptive evaluations of their arguments should be separated from assessments of their ultimate impact in shaping national policies and the trade regime. (The history of supply-side economics, heavily criticized by mainstream economists, is convincing evidence that theoretical accuracy is not a requirement for political influence.)

The New Cambridge Group and British Deindustrialization

In early 1975, as the aggravated stagflation that would characterize the British economy during the 1970s became evident, a group of econ-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

omists in the Department of Applied Economics at Cambridge University—the Cambridge Economic Policy Group—proposed a strategy for ending the cycle of British industrial decline: a Keynesian policy of reflating domestic demand behind general import barriers.[2] The group's prescriptions were based on a model of the British economy that in itself spurred debate among economists; that debate will not be dealt with here.[3] It is important to emphasize, however, that the Cambridge Economic Policy Group considered itself directly in the Keynesian tradition: protectionism was seen as a critical element of macroeconomic policy aimed at full employment.[4]

The idea of deindustrialization was the link between the protectionist strategy and full employment. To an outsider, the term was "a new label for an old problem—the relatively poor competitive performance of British manufacturing industry";[5] to the C.E.P.G., the relative decline of Britain (which they saw as accelerating in the 1970s) was the crucial piece of the puzzle in trying to explain Britain's unsatisfactory economic performance. According to Ajit Singh, Britain required an "efficient manufacturing sector," defined as one "which *(currently as well as potentially) not only satisfies the demands of consumers at home, but is also able to sell enough of its products abroad to pay for the nation's import requirements . . . at socially acceptable levels of output, employment and the exchange rate.*"[6] The British manufacturing sector was not able, in this view, to produce the necessary surplus in the trade account to permit the economy to maintain external balance *and* a "socially acceptable" level of (read full) employment. The evidence offered, contested by other economists, was the declining share of Britain's manufactured exports in world trade and growing import penetration of manufactures in the British domestic market.[7]

[2] The Cambridge Economic Policy Group, though headed by the chairman of the Applied Economics Department, Wynne Godley, is not coincident with the Department. The proposals of the C.E.P.G. have been published in *Economic Policy Review* and in articles in the *Cambridge Journal of Economics*.

[3] The outlines of the debate and the C.E.P.G.'s response are given in chap. 4, "Academic Criticisms of the CEPG Analysis," *Economic Policy Review* [hereafter referred to as *EPR*] 8 (April 1982), 35-42.

[4] So far from *assuming* full employment, New Cambridge see employment and domestic activity as being determined by the interrelationship between net export demand and domestic fiscal and monetary policy; indeed, with regard to income, output and employment determination the New Cambridge position is firmly in the Keynesian tradition (*ibid.*, 40).

[5] Frank Blackaby in Blackaby, ed., *Deindustrialization* (London: Heinemann Educational Books, 1979), 268.

[6] Ajit Singh, "U.K. Industry and the World Economy: A Case of Deindustrialization?" *Cambridge Journal of Economics* 1 (June 1977), 128; emphasis in original.

[7] For different presentations of the evidence on deindustrialization, see *ibid.*, 123-27; C.J.F. Brown and Tom Sheriff, "Deindustrialization: A Background Paper," in Blackaby (fn. 5), 233-62; most recently, *EPR* 8 (April 1982), 20-21.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The only way out of the vicious cycle of high unemployment, slow growth, and a declining manufacturing sector was the straightforward Keynesian remedy of running the economy at a higher level of employment and output. This analysis suggested a fatal "Catch-22," however: any such efforts would quickly encounter a balance-of-payments constraint imposed by the existing weakness in manufacturing. Reflation would bring a surge in manufacturing imports, a weakening in the current balance, and, finally, a sharp halt to the expansionary strategy—in short, a return to the stop-go policies that had plagued British economic policy since World War II. In view of this fundamental external disequilibrium with its basis in the manufacturing sector, the best available means to pursue a higher growth strategy was the imposition of import controls. Whether a tariff on manufactures or an auction of import quotas, such controls would *not* be selective; they would not favor one sector over another.[8]

Behind import barriers, the British economy was expected to convert the vicious cycle of the 1970s into a virtuous cycle of increased investment, productivity gains, and a more competitive manufacturing industry. The analysis of the C.E.P.G., emphasizing non-price elements in international trade competitiveness, suggested that the inflationary dangers in the strategy were far outweighed by the potential benefits of

> a favourable macro-economic environment which, by raising profits and improving sales prospects, encourages investment in more productive processes and new products. Such investment is widely believed to be a primary factor underlying the performance of industrial companies in international trade, far more important in the long term than the level of wages.[9]

CRITICS AND ALTERNATIVE STRATEGIES

Criticisms of the Cambridge endorsement of protectionism fall into two categories: those that challenge import controls as a solution (even if one accepts the C.E.P.G.'s diagnosis of the problem) and those that argue that the Cambridge diagnosis is at best a partial one.

The principal alternative proposed by those in the first group is devaluation as a means to correct external disequilibrium. Its advantages over import controls are clear-cut for mainstream economists. By acting through the price system, devaluation ensures greater choice for con-

[8] Different statements of the C.E.P.G.'s strategy are given in *EPR* 3 (March 1977), chaps. 1 and 2; *EPR* 4 (March 1978), chaps. 2 and 3; *EPR* 5 (April 1979), chap. 3; *EPR* 8 (April 1982), chaps. 1 and 2; Francis Cripps and Wynne Godley, "Control of Imports as a Means to Full Employment and the Expansion of World Trade: The UK's Case," *Cambridge Journal of Economics* 2 (June 1978), 327-34.

[9] Iain Begg and John Rhodes, "Will British Industry Recover?" *EPR* 8 (April 1982), 23.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sumers and greater efficiency in allocation. In terms of the external balance, it not only serves the "protective" function of import controls; it also favors exports, which are likely to be penalized through the use of measures that would increase the cost of imported materials.[10]

To such orthodox arguments, the C.E.P.G. responds by making a case for "devaluation pessimism" based on the experience under flexible exchange rates. In this view, an effective devaluation requires that real wages be held down, presumably by an incomes policy, in order to prevent a wage-push spiral that would quickly offset the relative cost advantages the devaluation was meant to produce. The C.E.P.G. has also noted the lack of certainty attached to any devaluation alternative under the current international monetary regime:

> To devalue on a large scale would require some complex combination of official sales of sterling, relaxation of fiscal and monetary policy, and inspired rumour. The size of the fall engendered would be unpredictable and could be excessive, threatening severe inflation and risking collapse.[11]

In general, however, the Cambridge attitude toward devaluation is pragmatic: if it would work, and work quickly and predictably, then most of their objections would disappear.

A second criticism of the Cambridge strategy of protectionism is its impact on X-efficiency—the possibility that it would produce featherbedding by firms.[12] In part, this argument returns to the penalties imposed on exporting firms (presumably more efficient) and traded services. More generally, it raises the question of how the import-competing firms would respond to their more comfortable environment. In reply to proponents of the "cold shower" view for increasing firm efficiency, the New Cambridge Group argues that "the beneficial effects of a higher level of activity should predominate, since there are plenty of examples of industrial recovery under protection but not, so far as we know, under deflation." This answer does not undermine the devaluation-reflation argument, however.[13]

[10] A good exposition of the relative merits of devaluation for correcting balance-of-payments disequilibria is given by Maurice Fg. Scott, W. Max Corden, and Ian M.D. Little in *The Case against General Import Restrictions* (London: Trade Policy Research Centre, 1980), chap. 2. A somewhat different argument, in favor of export promotion rather than import substitution, is made by A. P. Thirlwall, "A Trade Strategy for the United Kingdom," *Journal of Common Market Studies* 22 (September 1983), 1-15.

[11] *EPR* 8 (April 1982), 36. Also Cripps and Godley (fn. 8), 331.

[12] The conventional statement of the effects of protection on X-efficiency is given in W. Max Corden, *Trade Policy and Economic Welfare* (Oxford: Clarendon Press, 1974), 224-31.

[13] Cripps and Godley (fn. 8), 330. The argument against controls on the grounds of encouraging inefficiency is made by Vincent Cable in *Import Controls: The Case Against* (London: Fabian Research Series 335, October 1977), 9-10.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Finally, the protectionist strategy must face the possibility of retaliation by Britain's trading partners—retaliation that might erase any initial benefits, or worse, might also set off a spiral of national actions that would produce an even more dismal trading environment. The C.E.P.G.'s response to such predictions is two-fold. First, devaluation faces the same prospects as other countries seek to offset the initial gains of the U.K. by devaluations of their own. Second and more important, a British economy that is capable of sustained economic growth would provide a *better* market for its trading partners, even after the imposition of import controls, than the present one.[14]

WOULD PROTECTIONISM CURE THE "BRITISH DISEASE"?

All the attacks on the protectionist strategy that have been advanced by the Cambridge Economic Policy Group suggest unstated costs to the strategy or better means to achieve the same ends. More serious challenges allege that the Cambridge program misdiagnoses the source of Britain's relatively poor economic performance. Some analysts have suggested that deindustrialization itself is no more than the expected transition to a services economy, and that the C.E.P.G. is wrongly concerned with a particular segment of the British economy—manufacturing—that will inevitably decline. To balance such a benign view of the service economy, the proponents of a more pessimistic view point out the costs of deindustrialization in terms of employment, economic growth, and the balance of payments. As employment is lost in the manufacturing sector, it is not at all clear that the gains in the services will benefit the unemployed; this problem of "fit" affects shifts in manufacturing employment as well. The C.E.P.G.'s view also accepts the dynamic importance of manufacturing in the British economy because of its better productivity performance as compared to services. Finally, not all services are traded, and even traded services are far less important to British exports than manufactures; their share has remained relatively constant over the last decade.[15]

More serious than C.E.P.G. *over*-attention to one aspect of British economic structure—the manufacturing sector—is its lack of attention to other questions of structure. The entire New Cambridge approach,

[14] The familiar case on retaliation is made in Scott and others (fn. 10), 43-45, and Cable (fn. 13), 10-12; for the C.E.P.G.'s response, see Cripps and Godley (fn. 8), 333-34. For a recent assessment of the probable economic outcome if a British government adopted a protectionist strategy and was faced with retaliation, see Ken Coutts, Francis Cripps, and Terry Ward, "Britain in the 1980s," *EPR* 8 (April 1982), 16-17.

[15] On the last two points, see Singh (fn. 6), 122-23; Tom Sheriff, *A Deindustrialized Britain?* (London: Fabian Research Series 341, March 1979), 13-15.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

so resolutely Keynesian, is bedeviled by its macroeconomic orientation. A number of analyses suggest that the problems of economic performance in Britain are *not* due to macroeconomic policy—that their roots are at the micro-level, in the structure of industrial relations. Conservatives view British industrial relations as the cause of wage inflation, the true source of governmental reluctance to pursue expansionary policies. Centrist observers, such as those organized by the Brookings Institution, trace poor productivity growth to the firm level. And even left-wing analysts sympathetic to the Labour Party see a need for change in the decentralized structure of bargaining between management and labor in Britain, which lowers productivity growth by encouraging overmanning and slow adoption of new technologies.[16]

If any of these "micro" critiques are accurate, the C.E.P.G.'s analysis and strategy is at best only partial, relying upon reflation to "burn out" the inefficiencies at the firm level as firms respond to a more promising economic environment, and using higher growth to buy off wage demands that would increase the rate of inflation. What goes on behind the import barriers that would produce the "virtuous cycle" remains obscure. At least some members of the C.E.P.G. have been associated with the Labour Party's alternative strategy, however, and endorse an activist role for the state in reshaping the economy. The precise aims of that industrial strategy are unclear, and the mechanisms of industrial policy to be employed are "arm's length," reinforcing the "macro" perspective of the entire C.E.P.G. approach.[17]

The lack of detailed attention to a micro-strategy, the unwillingness to suggest an industrial policy, and the Keynesian syndrome are all carried over to the international sphere. As noted above, the C.E.P.G.'s strategy includes import controls that are *not* selective, and the government would foreswear any effort to shape the industrial structure of the country through this instrument. Thus, the C.E.P.G.'s analysis, unlike its European analogues (considered below), has no prospectus for the place of Britain in the international division of labor. There is no hint here of a search for *créneaux*, of picking winners or losers. This may be a reflection of the general quality of British industrial decline as much as of the Keynesian outlook of the New Cambridge Group. The lack

[16] For the conservative reading of the sources of government policy, see Scott (fn. 10), 75-79; the Brookings view is contained in Richard Caves and Lawrence Krause, eds., *Britain's Economic Performance* (Washington: Brookings Institution, 1980). The most interesting criticism from the "micro" view is Andrew Kilpatrick and Tony Lawson, "On the Nature of Industrial Decline in the UK," *Cambridge Journal of Economics* 4 (March 1980), 85-102.

[17] Francis Cripps, "Government Planning as a Means to Economic Recovery in the UK," *Cambridge Journal of Economics* 5 (March 1981), 95-106.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of concern about Britain's place in the world economy also leads to a peculiar attitude toward the developing countries: the villains in the Cambridge piece, if there are any, are the industrial countries with a persistent surplus, especially Germany and Japan. Relations with these industrial countries are considered to be at the heart of Britain's industrial decline: "The most important issue of all is the Common Market for industrial products, since the main external sources of competition causing deindustrialization in the UK are industries in other member countries within the Community."[18] If anything, the C.E.P.G. would attempt to favor the developing countries in any system of general import controls—a stark contrast to the fears aroused by the newly industrializing countries (NICs) on the part of other European protectionists.

Concentration on the threat posed by other, more successful industrial countries may accurately describe the British situation, but it does pose contradictions for other parts of the Cambridge strategy. Most recently, the C.E.P.G.'s position on the European Community has changed from advocacy of withdrawal to concern with the need for concerted reflation of the European economies. The experience of the Mitterrand government and its effort at "reflation in one country" may have produced the new turn in the Cambridge view. But the need for macroeconomic coordination at the European level fits ill with the protectionist elements of the Cambridge strategy: "The difficulty is rather one of shaking the entrenched belief in the virtues of free trade . . . and of securing agreement on the part of the more successful countries to the adoption of measures which deliberately shift trade and production against them."[19] How this task is to be accomplished—particularly at a time of very slow growth—is not discussed.

The programmatic protectionism of the New Cambridge Group stresses traditional Keynesian themes: full employment, macro- rather than micro-management, and a relative lack of concern about the international division of labor. It is Keynesian in one other, final respect: its apolitical character. The key is *management* of the economy, and management by remote control. Is it likely that a program of import controls could be managed in a disinterested fashion by a group of technocrats divorced from political concerns? That is the old Keynesian fiction, long overthrown in the management of the domestic economy, where the wheels of the political business cycle have been evident for some time. As the concrete manifestations of protectionism (described

[18] *Ibid.*, 100.

[19] Francis Cripps and Terry Ward, "Government Policies, European Recession and Problems of Recovery," *Cambridge Journal of Economics* 7 (March 1983), 96.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

below) indicate, nonselective import controls may be the final chimera of this brand of protectionism. Given that fact, the struggle over who selects which sectors becomes all-important.

French Protectionism: New Wine in Old Bottles

Free trade never possessed the ideological hold in France—particularly on the French left—that it has long maintained in Britain. Not only has protectionism long been a more respectable position within the French political debate (perhaps because of the relatively small role played by neoclassical economists); the position has also been endorsed by figures all across the political spectrum. In the 1970s, protectionism reappeared initially in response to the first oil shock and the costs of interdependence that it revealed, and then as part of a more general attack on the policies of Giscard d'Estaing. Gradually it moved from right to left, and now it plays a role in the internal debates of the Mitterrand coalition. Its advocates include Jean-Marcel Jeanneney, a prominent Gaullist; André Grjébine; the group writing as "Jacques Mandrin," associated with the Socialist Party; and Pierre Juquin, member of the *bureau politique* of the French Communist Party. Their arguments illustrate the substance of French protectionism, and also the gradual shift of those arguments across the political spectrum.

Initially, French neo-protectionists did not share the central dilemma of the British protectionists—full employment with a growing balance-of-payments constraint. Rather, they were first concerned with the costs of deepening interdependence and with the French place in the emerging international division of labor. The old French theme of maintaining national autonomy is particularly prominent in Jeanneney's arguments.[20] He puts forward a "portfolio" view of national economies, arguing that too great a specialization on a narrow range of sectors offers excessive conjunctural risks for an industrialized economy.[21] He also makes more familiar arguments: that labor market rigidities make the costs of adjustment, particularly fast adjustment, higher than usually estimated, and that governments should protect infant and senile industries in order to offer an opportunity to adjust to competitive pressures. Jeanneney also suggests an argument that is reiterated by Wolfgang Hager: that modern capitalist economies do not flourish when their future is seen

[20] Jean-Marcel Jeanneney, *Pour un nouveau protectionnisme* [For a new protectionism] (Paris: Seuil, 1978).
[21] *Ibid.*, 66-67.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as too uncertain; if the level of risk is too high, investment and growth will be impaired.

Jeanneney endorses a European protectionism based on variable tariffs to meet these costs of external dependence, a protectionism that would include planning at the European level. National protectionism—and here the contrast with the Cambridge group is striking—is simply not considered economically feasible.[22] André Grjébine examined France's international economic position in the late 1970s and also proposed a European protectionist solution—at least initially. His analysis, however, responds more specifically to two new features of the French position: the emergence of the newly industrializing countries and the strategy employed by the Giscard-Barre governments to meet the economic turmoil of the 1970s.

Grjébine and other critics of the Barre program see France as sacrificing its national economic well-being on the altar of deepening involvement in the world economy, and of increasing specialization to find niches in the international division of labor. The Giscard-Barre strategy was hardly a classically liberal one in commercial policy; "organized free trade" was, after all, a phrase coined in those years. But trade would be organized at the *international* level according to this strategy, and France would still insert itself—must insert itself—into that managed structure of trade. Such an export-oriented outlook, built upon intensified exchanges with the developing countries, is Grjébine's target. Citing Keynes with approval (the Keynesian strand once again), he argues that internal goals and the domestic market should be favored in the case of both industrial and developing countries. His solution is a path of "self-reliant" development (*développement auto-centré*) for both industrial and developing countries.

Both Grjébine and Jeanneney add a historical argument to their agnostic view of free trade. Contrary to the conventional wisdom of the postwar period, that high economic growth and liberalized trade are directly related, they cite evidence from earlier European history—particularly the late-nineteenth century—which suggests that the relationship has not always been so close.[23] Neither attacks liberalized trade

[22] *Ibid.*, 82.

[23] Grjébine refers to the work of economic historian Paul Bairoch, who has argued that the trade liberalization of the mid-nineteenth century did not benefit European economies other than Britain's—resulting in slower expansion of trade, slower growth, and no acceleration in innovation. Bairoch traces these effects to the impact of freer trade in agricultural products on the continental European economies. See Bairoch, "Free Trade and European Economic Development in the 19th Century," *European Economic Review* 3 (1972), 242-45, and *Commerce extérieur et développement économique de l'Europe au XIXe siècle* [Foreign trade and the economic development of Europe in the 19th century] (Paris: Mouton and Ecole des Hautes Etudes en Sciences Sociales, 1976).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

among the European industrialized economies, however. For Grjébine in particular, the crucial distinction is between the "stimulating competition" offered by other, similar industrial economies and the "unequal competition" of the industrializing countries of the South.[24] The most dangerous form of dependence on the South, particularly for France, is clearly energy dependence. Even though competition from the NICs up to this point has been limited sectorally and nationally, Grjébine takes a pessimistic view of the employment consequences of those exchanges. In any case, France and other industrial economies would not be responding to a "natural" world market, but to one created by political choices in the state-directed economies of the developing world.[25]

For the developing countries, he is even more adamant on the costs of export-oriented development directed toward markets in the industrial countries. His image of these economies (which are treated as a relatively homogeneous group) can only be described as caricature, in which manufacturing for export produces a new enclave form of development comparable to the old colonial pattern. The developing country is thus vulnerable to the choices of others: potential protectionism and recession in the North and the strategies of the multinational corporations. He also points to the political destabilization that seems to result in cases such as Iran and South Korea.[26]

To replace the malign interdependence that is already emerging between the O.E.C.D. countries and the industrializing South—an interdependence that most observers argue should be furthered—Grjébine urges both North and South to tilt their development toward domestic demand, and to trade with economies of similar structure. As part of this domestic strategy, he argues for movement toward a regionalization of trade among countries at different levels of development; within each group, a pattern of beneficial, predominantly intrasectoral trade would predominate. Between the zones, a regime of negotiated trade and industrial policy decisions would be constructed. A fluid set of boundaries would emerge, boundaries that would almost certainly include protectionist barriers.[27]

[24] André Grjébine, *La nouvelle économie internationale* [The new international economy] 2d. ed. (Paris: Presses universitaires de France, 1982), 134.

[25] *Ibid.*, 188-89, 212-16. It is worth noting that Grjébine was a rapporteur for the French government working group (headed by Yves Berthelot and Gerard Tardy) that produced the first assessment of the NICs and their impact on France. His appendix to that report diverged from its generally optimistic conclusions. (Commissariat general du plan, *Le défi économique du tiers monde: Annexes* [The economic challenge of the Third World] (Paris: Documentation française, 1978), 211-30.

[26] *Ibid.*, 166-67; see also Grjébine, "Reconquête du marché intérieur et coopération avec le Tiers Monde: Les conditions de la convergence" [Recapture of the domestic market and cooperation with the Third World: Conditions of convergence] (mimeo, n.d.), 1-2, 5.

[27] Grjébine (fn. 24), 226-37; (fn. 26), 6-9.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The place of protectionism in Grjébine's program is unclear. In a paper that appeared after his book, he protests that "this orientation absolutely must not be confused with a policy of protectionism. Protectionist measures are one means among many to which such a strategy might resort."[28] Since he assumes that the only players that would oppose the shift to a more self-reliant development are the multinational corporations, the resistance of the developing countries is understated. He argues for a new code of "fair competition" (*concurrence loyale*) between the regionalized North and the regionalized South and suggests financial assistance for Southern economies that undertake the transition to this new mode of development.[29] Since the Socialist government has come to power, he has also emphasized the importance of domestic policy measures that do not include trade protectionism in order to "reconquer the domestic market" in France. The industrial policy that he recommends fits with his earlier analysis in rejecting "elitism" among industrial sectors and contending that no sector should intrinsically be given up as lost to international competition. Rather than proposing an industrial policy directed toward sectoral specificity, however, he suggests that the state play an active role in developing "generic technologies" that can be applied across a range of sectors throughout the French economy.[30]

As the Mitterrand government has turned away from the expansionary policies of its first 18 months and toward more orthodox policies of austerity, protectionist strategies have become part of the assault on the new course. Recent variants of neo-protectionism resemble more closely the arguments of the New Cambridge Group in Britain, since their targets are other industrialized countries, and not the NICs that are of such concern to Grjébine. Three members of the Socialist left, writing as "Jacques Mandrin," have argued for an increased international "margin of maneuver" for France, pointing out that the persistent structural deficit in France's trade with other industrial countries can only be reduced by greater investment and a better trading performance.[31] They elaborate on the strategy of "reconquest of the internal market," which is certainly protectionist in its implications; while disavowing the "Albanian" tag used by their opponents and declaring that Méline cannot be resurrected, they urge tough bargaining with France's trading part-

[28] *Ibid.*, 7. Unless otherwise noted, all translations are by the present author.

[29] *Ibid.*, 9-12; Grjébine (fn. 24), 240-41.

[30] André Grjébine and Yves Peccia Galletto, "Les priorités d'une nouvelle politique industrielle" [The priorities of a new industrial policy] (Paris, mimeo, n.d.), and Grjébine, "La France face à la contrainte extérieure" [France confronts its external constraint] (unpub.).

[31] Jacques Mandrin [Didier Motchane, Pierre Guidoni, Georges Sarre], *Le Socialisme et la France* [Socialism and France] (Paris: Le Sycomore, 1983), 154-59.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ners in order to win greater economic autonomy—bargaining that at least uses the threat of protectionism.[32]

Writing from the communist perspective, Pierre Juquin echoes many of these nationalist arguments. He, too, favors reconquering the internal market and refusing to abandon any sector to foreign competition. He asks only that French policy reflect the "legitimate defense of the nation," which is defined as employing the full panoply of existing protectionist devices—public procurement and import surveillance, for example—to support French industry.[33] Neither the Mandrin team nor Juquin argue for overturning the existing trade regime, but simply for exploiting its gaps and leverage to win greater advantages for French industry and greater autonomy for French economic policy. In contrast to Grjébine, and parallel to the New Cambridge Group, it is the industrialized countries, and particularly Germany, that present obstacles to France's strategy of industrial renovation. In this view, if the "dogma of free trade" stands in the way of greater national economic well-being in a world of increasingly interventionist states, it should be discarded.

Wolfgang Hager and the Defense of the Welfare State

The protectionism of Wolfgang Hager (and other German neo-protectionists) reflects the same anxiety over Japan and the newly industrializing countries that is found in the work of André Grjébine, and rejects in similar fashion the image of benign interdependence based on global Keynesianism that can be found in the Brandt Commission Report and other "developmentalist" documents. While French protectionist arguments reflect the shock of external dependence that had increased dramatically during the early 1970s, Hager's German perspective is fearful for the future of a successful economic and political model in the face of changing international economic circumstances. He is also responding, as are his British and French counterparts, to the resurgence of conservative, laissez-faire solutions to the Western economic crisis, which aim to reinforce external dependence and restore equilibrium by breaking the power of organized labor. He can be regarded as a different sort of conservative, defending a social democratic model that is endangered from within and without—"the most decent society ever created in history."[34]

[32] *Ibid.*, 158-59.

[33] Juquin, *Produire français: le grand défi* [Production in France: the great challenge] (Paris: Messidor/Éditions sociales, 1983), 125.

[34] Hager, "Making the Best of Protectionism" (mimeo, n.d.), 3. Hager's arguments, which have become more unreservedly protectionist, may be found in the following: "The Strains

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The idyll of welfare-state Europe begins with an unorthodox reading of history: not only is free trade a myth at the present time, but even during the years of European and American economic preeminence, trade relations hardly fitted the neoclassical model. Trade liberalization was limited principally to the North Atlantic island of liberalism; European industry enjoyed *de facto* protection provided by an overvalued dollar and (vis-à-vis the rest of the world) a virtual monopoly in production technology.[35] By the early 1970s, those unseen advantages were being stripped away as Western Europe confronted newly contentious though still manageable trade conflicts with the United States, and faced the even more disruptive emergence of new producers in Japan, the NICs, and the East European countries.

These new competitors, particularly the NICs, revealed that Western Europe was a "high cost producer"; in Hager's view, the dilemmas of Europe in the past decade revolve around that discovery. Like Grjébine, he awards a central place to the newly industrializing countries as a disruptive element in the European economic environment—a puzzling award of the leading part to what appears, on the aggregate figures, to be a bit player. Despite the relatively low level of economic exchange with these countries, Hager argues that "relying on domestic underconsumption for economic growth, LDCs have rapidly become the most disturbing element in the world trade." He maintains that the aggregate figures conceal their much larger impact on certain sectors in the industrial economies, and that they also create uncertainty for firms in the North, resulting in a lower level of investment than would otherwise occur.[36] The implications are equally harmful for the developing coun-

on the International System," in Christopher Saunders, ed., *The Political Economy of New and Old Industrial Countries* (London: Butterworth's, 1981); "Industrial Policy, Trade Policy, and European Social Democracy," in John Pinder, ed., *National Industrial Strategies and the World Economy* (Totowa, NJ: Allanheld, Osmun, 1982), 265-88; "Protectionism and Autonomy: How to Preserve Free Trade in Europe," *International Affairs* 58 (Summer 1982), 413-28; "Protectionism in the 80s: Managed Coexistence of Different Industrial Cultures" and Introduction to Volume II in European Research Associates, *EEC Protectionism: Present Practice and Future Trends* (Brussels: European Research Associates, 1982); "Little Europe, Wider Europe and Western Economic Cooperation," *Journal of Common Market Studies* 21 (September/December 1982), 171-97; "EEC - Supermercantilism: The Road to Stagnation" (unpub., May 1984). A parallel criticism of a liberal trade regime is given by Michael Dauderstädt in "Societal Consequences and Conditions of a Free Trade Regime," paper presented to the conference on "Perspectives on a Realistic International Trade Order" (Stockholm, March 1984). Empirical research in support of a pessimistic position on the consequences of liberalized North-South trade appears in Fölker Fröbel and others, *The New International Division of Labor* (Cambridge: Cambridge University Press, 1980).

[35] Hager (fn. 34), Introduction to Volume II, *EEC Protectionism*, p. 6; "Protectionism and Autonomy," p. 417.

[36] Hager (fn. 34), *EEC Protectionism*, II, p. 10; "The Strains on the International System," pp. 287-89; "Protectionism and Autonomy," p. 425.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tries themselves: the NIC model may be a one-time success that cannot be easily replicated by other, later developers; the latecomers should "tackle the long deferred problem of organic development, based on agriculture and its industrial superstructure."[37]

A conservative devotee of laissez-faire might argue that Hager's prospect is for the best: free competition was undermining labor markets that had grown too rigid and firms that had become flabby. But, in Hager's opinion, the normative case for adaptation fails since the West European economies are not being asked to adapt to some model of "free trade" or "free competition." The core of his argument is that two very different "socio-economic worlds co-exist."

> One, ours, is characterized by unfree labour markets and still relatively free markets for allocating capital. The other is a world of free labour markets (kept "free" by jailing trade unionists, if necessary) and systems of capital allocation by central plans or strategic consensus by a handful of entrepreneurs and bureaucrats. Two things can be fairly categorically stated about the two worlds in interaction. First, there is no natural equilibrium solution possible even in theory, even less one which maintains full employment in the high cost area. Secondly, in the traditional adjustment model the initiative lies wholly with systems which allocate capital centrally.

In short, "we are experiencing the interaction between highly artificial states of nature."[38]

Leaving aside the question of whether Europe should be expected to adjust to such an artificially created trading environment, Hager is profoundly pessimistic about the possibilities for "positive adjustment" as recommended by the O.E.C.D. and other international organizations (as well as by most economists). Keeping ahead of the onrushing NICs will not work. Competition is simply too great for a limited number of attractive "sunrise" industries; in view of the speed of technology transfer, by the time the European economies develop those sectors, they may well find the NICs waiting for them, or at least close at their heels. The days of *de facto* natural protection by technological monopoly are gone forever.[39] Hager gives short shrift to the possibility of adjusting to the emerging external disequilibrium through the exchange rate, though here, too, he makes the most pessimistic assumptions: that NIC wages will not narrow the gap with European ones (as Japan's have); that NIC

[37] Hager (fn. 34), "The Strains on the International System," pp. 292-93; "Making the Best of Protectionism," p. 9.

[38] Hager (fn. 34), "Protectionism and Autonomy," p. 420.

[39] Hager (fn. 34), "Industrial and Trade Policy" pp. 248-49; "Protectionism and Autonomy," pp. 419-20.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

productivity wages will grow too slowly to permit the exchange rate to compensate; that the NICs may not cooperate in a devaluation strategy.

If positive adjustment into new, sheltered sectors will not work, only a few alternatives are left. Hager rejects the effort to restore international competitiveness by a conservative drive for what Michael Dauderstädt calls the "functional equivalent" of competitive devaluation: "the reduction of wages, taxes, interests [sic] and other costs of the production of traded goods (and services)."[40] Apart from the fact that the race cannot be won for reasons given above, an attack on real wages threatens the welfare state bargain that Hager seeks to preserve: the social bargain cannot be undone without the risk of grave social and political consequences and a far less decent society.

Another possibility is to act on the capital side, to replicate one's trading competitors not through lowering wages, but through subsidizing capital, through familiar instruments of industrial policy. Despite the preference of most economists for direct subsidies over trade protection, Hager holds a dissenting view: that subsidies may in fact be more harmful to the genuine free-trade areas (or freer trade areas) of the world, the Atlantic economy, and particularly the European Community (E.C.). Industrial policy or "financial protectionism" is second-best since it is less efficient than trade protection: it often rewards the least efficient firms in a sector and involves the government more closely in management decisions. Because it tends to be concealed in many instances and is not subject to close international scrutiny, it also endangers existing international agreements, particularly the E.C.[41]

If the social democratic and welfare state is the domestic element of Hager's concern, the survival of the European Community (and, more broadly, the Atlantic trading system) is the international dimension of his defense. The onslaught of new trading competitors has led European governments to pursue policies that endanger the fragile common market in Western Europe.

> In other words, a potentially feasible free-trade experiment—to which North America can easily remain associated—is about to be destroyed by practicing free trade with a protectionist, quasi-state-trading environment. The political Balkanization of Western Europe will closely follow the economic Balkanization.[42]

Protectionism is the only choice left for a Europe that sees its internal and external accomplishments threatened by a new model of trade

[40] Dauderstädt (fn. 34), 18.
[41] Hager (fn. 34), *EEC Protectionism*, I, pp. 37-39.
[42] Hager (fn. 34), "Little Europe, Wider Europe," p. 187.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

competition. Hager urges the adoption of an international system of managed trade, "doing all the things that free trade would have us do, but at a pace and under conditions which do not destroy the fabric of economic exchange, and of decades-old distributional bargains in society, beyond tolerable limits."[43] The aim would not be reduction in openness—Hager is not concerned with overall external dependence—but maintenance of high levels of trade. Nor, ideally, would the system be imposed unilaterally. The best solution would limit import penetration in advance, encouraging the new producers to respect "minimal levels of oligopoly discipline"; in addition, measures could be taken to raise social costs in the NICs—through "social dumping" clauses, for example. Such a system of trade would permit each society to maintain its political and social choices, thereby expanding its autonomy while discouraging a pattern of exchange that would only heighten international conflict.[44] A final essential element is the scope of the protectionist system: meant to protect the European way of life, any new system would necessarily be a European one, and it should also include the European Free Trade Association (EFTA) countries. Not only would their inclusion make the system more viable (the percentage of trade carried on among its partners would be much higher), but the inclusion of EFTA would be essential to guarantee German participation.[45]

Wolfgang Hager's critique of free-trade nostrums is probably the most subversive of those considered here, but his arguments are difficult to translate into orthodox vocabulary; an attempt at such translation reveals unanswered questions and empirical shortcomings.[46] One reading might emphasize the distributional impact of an open trading system, an effect brought home in the Stolper-Samuelson theorem. Hager's social welfare function is a conservative one, and he seems to be arguing that labor (and its representatives) should take exactly the position that Stolper-Samuelson would predict: protectionism to preserve the existing distributional bargain.[47]

Whether the assault on that bargain—calling into question the entire pattern of postwar European society—actually springs from the competitive threat posed by Japan and the NICs is dubious. Evidence for

[43] Hager (fn. 34), *EEC Protectionism*, I, pp. 45-46.

[44] *Ibid.*, 47-48; "Making the Best of Protectionism," p. 9; "Protectionism and Autonomy," p. 426.

[45] Hager (fn. 34), "Little Europe, Wider Europe," pp. 184-90; "Protectionism and Autonomy," pp. 426-27.

[46] Some of Hager's mainstream critics argue that such translation is impossible, see Brian Hindley, "Protectionism and Autonomy: a Comment on Hager," *International Affairs* 59 (Winter 1982/83), 77-86.

[47] On distributional consequences of trade, see Corden (fn. 12), chap. 5.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Hager's assertions regarding the behavior of firms in the face of trade competition, and for the NICs' contribution to capital deepening, is strikingly absent. Firms have had many reasons for failing to invest and for shedding labor in the last decade; import competition from the South (or East) was probably a small element in their calculations. Likewise, the assault on labor practices and wage levels is due more to the neoclassical prescriptions offered by conservatives for controlling inflation than to a concern over international competition; if governments intended to use trade pressure to restrain wages, they would hardly have adopted increasingly stringent selective protection in key sectors such as textiles and automobiles.[48]

A second reading of Hager might emphasize the costs of adjustment. Adjustment is in some sense "unfair" because comparative advantge is no longer "natural," but created. Not only is it unfair; it is unending because of Hager's uniformly pessimistic assumptions: rapid technological diffusion, no upward pressure on NIC wages, the overwhelming importance of price in trade competition (as compared to non-price considerations, such as marketing). If one were to accept each of these assumptions, one could make the argument that the costs of adjustment outweigh the gains from trade.[49]

Equally serious questions arise concerning the feasibility of Hager's program. The United States remains the great unknown; Hager simply assumes that Atlantic trade can be managed and that the United States would collaborate, at least tacitly, in the new order. But Europe's external deficit—particularly its energy deficit—would still need to be met. To be fair, both Hager and Grjébine make a reduction in energy dependency a central part of their strategies. Such lowered dependence would necessarily be a long-term goal, however; in the interim, the energy imports would still have to be paid for. Finally, one can easily challenge Hager's charge that policies toward third countries are producing a "renationalization" of the European Community and a rise in financial protectionism. One can examine case after case in the study of European protectionism produced by Hager and his associates without finding much evidence of such a causal connection. Much of the renationalization of the Community's commercial policy results from surplus-capacity

[48] Even Dauderstädt admits that "considerations of international competitiveness played a minor role in the U.S./U.K. attack on the welfare state. However, in the Federal Republic of Germany such considerations have been more influential, particularly 1980/81 when the balance of payments went into the red." Dauderstädt (fn. 34), 15.

[49] Mainstream economists admit this possibility: see C. Fred Bergsten and William Cline, "Trade Policy in the 1980s: An Overview," in William Cline, ed., *Trade Policy in the 1980s* (Washington: Institute for International Economics, 1983), 63.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

industries and competition from other European (or American) producers. Toward Japan, in particular, its members have *always* pursued national rather than Community policies. The persistent divergence within the Community between the more (Germany, Benelux) and less (Britain, France) liberal traders would be likely to undercut Hager's plan.

European Protectionists: Similarities and Contradictions

The appearance of spokesmen for a new programmatic protectionism at this time can be traced to one international and one domestic development. Internationally, the new, new protectionism derives some of its alarm (at least in the cases of Grjébine and Hager) from the same new exporters that evoked the more traditional *ad hoc* protectionism of the 1970s. Japan and the NICs, rather than being viewed as threats to individual sectors, imposing particular adjustment costs, are perceived as a longer-term threat to the economic future of the European economies, eradicating labor-intensive sectors while leap-frogging rapidly into industries in which the Europeans thought they had a permanent technological edge.

The domestic source is a simple one: the exhaustion of alternative economic programs for restoring economic growth and full employment in the European economies. In this respect, the new proponents of protectionism recall those who turned to protectionism in the 1930s when confronted with the failure of traditional alternatives. The Keynesian or post-Keynesian thread that runs through most of these analyses is hardly surprising, since Keynes himself long associated his program for domestic stimulus with a protectionist corollary. Only in the aftermath of World War II did he shift back again toward internationalism, counting on the international economic cooperation of Britain and the United States.[50]

The proponents of the new, new protectionism have a common perspective on the sources of and solutions to Europe's economic malaise. They defend the ability of European societies to determine their own internal economic and social policies rather than being painfully forced

[50] The shock of the Great Depression first led Keynes from orthodox support of free-trade characteristic of the Liberal Party to a call for protection in the face of a seemingly immovable gold standard. It was in this period (1933) that he made his famous plea, "But let goods be home-spun whenever it is reasonably and conveniently possible; and, above all, let finance be primarily national." For his move toward protectionism and his subsequent return to liberalized trade, see Roy F. Harrod, *The Life of John Maynard Keynes* (London: Macmillan, 1951), 424-31, 446, 608-10.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

into a Procrustean bed of "free trade." They also uniformly believe that "free trade" is a misnomer: the international trading system is increasingly dominated by economies in which the state plays a prominent role in determining industrial structure and trading success. Thus, adaptation to some chimeric market "out there" is a delusion. Finally, they are responding in the Keynesian tradition to other strategies—conservative ones—that have produced high unemployment as well as increased dependence on an unpredictable international environment.

These similarities cannot conceal a number of major divisions, however. The question of national position in the international division of labor is hardly mentioned in the arguments of the Cambridge Economic Policy Group; a perception of being squeezed between high-technology leaders—Japan and the United States—and the rapidly advancing NICs is central for Grjébine and Wolfgang Hager. For the British (and those French who respond to the new Socialist austerity), protectionism is a means of arresting a *general* process of industrial decline by eliminating a balance-of-payments constraint; for the other Europeans, it is a means of preventing the capture of sector after sector by competitors whose tactics violate the old rules of the game, and of defending a way of life carefully constructed since World War II.

These differences point to more important distinctions in the *source* of the trade threat and the *level* of protection. British protectionists and left-wing dissenters in France consider other industrial countries—what Godley calls the "relatively successful" industrial economies—to be the source of Britain's commercial difficulties; thus, a policy of general import controls would have to be applied at the *national* level. Grjébine and Hager portray intra-European trade as benign; the disruptions result from countries outside the Atlantic area; hence, a policy of *selective* import controls would have to be applied at the *Community* level.

This produces dilemmas for both sides. For the British, the need to ensure the cooperation of other industrial countries in any reflationary strategy poses real difficulties in view of the simultaneous need to impose import controls. Recently, the C.E.P.G. attempted to sidestep this dilemma by suggesting that other European countries could be convinced to accept a trade shift in favor of the weaker economies *as well as* to take on their share in a joint reflationary strategy. The dilemma for those who propose European rather than national protectionism emerges when it is neighboring industrial countries, not Japan or the NICs, that are the source of external disequilibrium. It is this dilemma that is confronted at present by neo-protectionists within the French Socialist Party.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

All of these spokesmen for a programmatic protectionism neglect the *political* basis for the protectionism that exists in Europe at present. As renegade Keynesian economists, they share the old Keynesian presupposition that policy will be enacted by disinterested mandarins. But the evidence at hand indicates that in practice the new, new protectionism may look very much like the old.

Ideology into Politics: Neo-protectionism in Practice

Neo-protectionist ideological formulations are in themselves important, for they flag a potential delegitimation of free-trade ideology and an attack on the hegemony (in this instance an accurate description) that free trade has exercised since the end of World War II. Their assault on what one observer has called "a useful myth" points to the possibility that free trade may suffer the fate that befell fixed exchange rates in the early 1970s.[51] For much of the postwar period, an alternative system of flexible or floating exchange rates was simply outside public discussion; within economics, it was largely restricted to the then-heterodox Chicago school. Even the use of the exchange rate as an instrument of policy was not debated in the principal reserve centers, the United States and Britain, for fear of endangering the system. Gradually, through the force of events in the late 1960s, the failure of alternative policies, and the infiltration of the Chicago view into government thinking, the unthinkable—flexible exchange rates—became the acceptable, and finally the desirable.[52] A similar process may be underway today, as trade policy comes to be viewed as an instrument of policy rather than a piece of the True Cross. Like the erstwhile proponents of fixed changed rates, some policy makers fear that such ideological erosion will lead to the slippery slope of retaliatory trade warfare.

The probability that these new ideologies of protectionism will translate into changes of national policy and ultimately changes in the international trade regime is limited, however, by national differences and by their attachment to particular political coalitions—in all cases, coalitions based on labor. Those industrialized countries in which the ideological hold of liberalized trade is strongest and market-based adjustment has been most successful have been the ones most resistant to the

[51] The importance of ideology as a restraint on protectionism in the postwar period is noted by Bergsten and Cline (fn. 49), 96.

[52] For an account of the importance of ideological change in the acceptance of flexible exchange rates, see John S. Odell, *U.S. International Monetary Policy* (Princeton: Princeton University Press, 1982), 308-11, 362-67.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

new ideas. Germany, with its superior adjustment capabilities and Europe-centered trading pattern, has continued to play the defender of liberalized trade within the European Community, despite a limited band of German neo-protectionists. Programmatic protectionism has found even less sympathy in the smaller European economies: their openness has made adjustment, however difficult, the only feasible alternative. The weakness of protectionist themes in Italy—most threatened by the NICs in light of its industrial structure—is more puzzling. The restricted appeal of neo-protectionism to the Italian Left may reflect a widespread awareness of the requirements of economic interdependence or the accomplishments of formal and informal Italian protectionism already in place.

The United States presents an interesting case, which lies between Germany and the smaller European economies on the one hand, and Britain and France on the other: although important sectors have not successfully adjusted, the ideological hold of liberalized trade remains powerful. Despite recent reinforcement of managed trade in textiles, steel, and automobiles, protectionism is still viewed on a case-by-case basis; official and unofficial rhetoric emphasizes efforts to achieve "fair trade," defined as an end to objectionable government intervention *elsewhere*. Robert Kuttner's recent criticism of orthodox trade theory from a Keynesian perspective and his support for a managed trading system (closely parallel to Wolfgang Hager's arguments) remain unusual in the contemporary American debate.[53]

In one important respect, the American debate over foreign economic policy lags one step behind the discourse of the neo-protectionists in Europe, since it is closely tied to arguments over industrial policy and the appropriate level of *domestic* intervention. Kevin Phillips has recently described probable future cleavages over trade and industrial policy in the American polity. These issues would continue to divide liberals and conservatives on the question of industrial policy and government intervention domestically while at the same time dividing each of those groups into two camps: "the internationalists—essentially those who either still believe in the reality of free trade or at least believe that a traditional-style restoration is plausible—and the nationalists, drawn to a policy of increasing toughness on behalf of American interests."[54] Liberal protectionists, such as Robert Kuttner, endorse industrial policy as a way of ensuring that "protection doesn't become just an umbrella

[53] Kuttner, *The Economic Illusion: False Choices between Prosperity and Social Justice* (Boston: Houghton Mifflin, 1984).

[54] Phillips, *Staying on Top* (New York: Random House, 1984), 54.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

under which oligopolies can stagnate, as the steel industry did."[55] Neoliberal internationalists, such as Lester Thurow, would use industrial policy to speed adjustment and stave off protectionist pressures. Kevin Phillips himself argues for a conservative "business nationalism," a "market-oriented competitiveness strategy" that would include a tougher trade posture designed to ensure access to foreign markets and support American exporters while eschewing a full-fledged industrial policy at home.[56] Phillips's program indicates the ideological bind of the American business class: its distaste for governmental intervention in business decision making is coupled with a desire for governmental assistance against foreign competitors. The opponents of such a "business nationalism" would be not only the more interventionist liberals (protectionist and internationalist), but also the more laissez-faire and internationalist conservatives who seek a liberalized trade regime. Phillips argues that his program would have wide appeal not only for businessmen, but also among the "New Right electorates of the growing Sun Belt," where nationalism is "aggressive, assertive and expansionist, not status quo—or *status quo ante*—protectionist."[57]

The new, new protectionism has had a detectable political (if not policy) influence in only two European countries: Britain and France. Both have been less successful in adaptation than West Germany, and more willing than the smaller European economies to contemplate reducing external dependence.[58]

The debate over protectionism in Britain became an internal one in the Labour Party after the analysis of the New Cambridge Group was adopted by the Tribune Group and the Labour Left as part of their "alternative strategy." The Labour Right, by and large, has preferred a devaluation strategy as the principal external alternative to Conservative policies. Import controls have gradually become part of the Labour Party's policy, at least as a reserve instrument during a period of reflation; connected to the C.E.P.G.'s view has been the Labour Party's commitment to leave the European Community after returning to power (though New Cambridge itself has reconsidered that policy, as noted above).

For the core of Labour's coalition—the trade unions—a policy of "blanket protectionism" has less appeal than a policy of selective import controls, which is explicitly ruled out in the C.E.P.G.'s program. The

[55] Kuttner (fn. 53), 124-25.
[56] Phillips (fn. 54), 12-13.
[57] *Ibid.*, 140.
[58] For an analysis for the state of protectionist practice in the European economies, see European Research Associates, *EEC Protectionism* (fn. 34), II, chap. 17.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

unions would prefer protection to be coupled with agreed development plans for each sector, plans that would include target ceilings of import penetration. They try to deal politically with the conflict between those of their number who are dependent on export markets (and concerned about retaliation) and those suffering from import competition, by offering protection to "those sectors most in need." New Cambridge thus becomes old protectionism: the sectors listed include the familiar ones of textiles and clothing, footwear, and consumer electronics.[59]

The current weakness of Labour and the adamant laissez-faire (though hardly free trade) attitudes of the Thatcher government have prevented a test of programmatic protectionism in Britain. (One should not underestimate the strength of support for protectionism in British business, however: the Confederation of British Industry voted for import controls in "core sectors" in 1979.) In France, a neo-protectionist strategy was considered much more seriously when the Mitterrand government, pursuing an orthodox Keynesian policy of reflation in the face of deepening world recession, confronted a severe external imbalance. The Mitterrand government that came to power in 1981 was strongly Europeanist and strongly *tiers-mondiste*. As socialists, however, they seemed to accept some of the protectionist arguments described above, at least rhetorically. In particular, they broke with their predecessors, the Giscard d'Estaing government, in refusing to accept a need to tailor the French economy to fit the *créneaux* of the international economy. The Socialists portrayed their rejection of the demands of the existing international division of labor as a repudiation of "industrial elitism": no important industrial sector was a "sunset" sector. Coupled with this outlook was a proclaimed intention to reconquer the internal market. For the developing world, the Mitterrand government seemed to endorse the notion of *autocentré* development.[60]

In practice, the external economic policies of the Mitterrand government did not seem to depart radically from the *ad hoc*, selective protectionism of the past. The Minister of Trade, Michel Jobert, continued the policy of giving massive subsidies to exports; a very tough line was taken on the European Community's commercial policy (particularly in

[59] Recent T.U.C. statements include "Programme for Recovery: TUC Economic Review 1982," chap. 9; TUC–Labour Party Liaison Committee, "Economic Planning and Industrial Democracy: The Framework for Full Employment," p. 18.

[60] The shift in political rhetoric has been ably documented by Jacques de Bandt, "Division internationale du travail, reconquête du marché intérieur et developpement autocentré: Quelle conciliation?" [International division of labor, recapture of the domestic market and self-reliant development: What reconciliation?], *Revue d'économie industrielle*, No. 19 (1er trimistre 1982), 90-104.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

renegotiating the Multifiber Arrangement); the reconquest of the internal market seemed directed toward three sectors—furniture, electrical appliances, and textiles—using familiar instruments of industrial policy.[61] Concern for sectors of the future—even when they had yet to be created—was symbolized by the "battle of Poitiers" against a surge of Japanese VCR imports, stimulated by the macroeconomic policies of the Socialist government.

A global protectionist argument (echoed by "Jacques Mandrin") did not enter the political debate until economic strategy bumped up against external imbalance and the unwillingness of trading partners to accommodate France's expansionary economic course. Successive devaluations and a wage freeze were painful to a government based on working-class support. The moment of decision came in March 1983, with a third devaluation and the need to impose even more stringent fiscal measures to correct the external deficit. It seemed to be the Barre plan repeated, and within the government and the Socialist party many urged an alternative: leaving the European Monetary System (E.M.S.) to permit greater exchange-rate flexibility and introducing import controls to permit the maintenance of a higher level of economic activity. The New Cambridge Group had found political allies across the Channel.

Mitterrand ultimately decided against the supporters of protectionism, who apparently included Pierre Bérégovoy, Jean-Pierre Chevènement, Jean Riboud, and Christian Goux. The arguments of Jacques Delors and the Ministry of Finance carried the day, in large measure because financial support required from the European Community prevented a departure from the E.M.S. The debate within the party is far from over, however: the Fabius government seems committed to pursue orthodox economic policies, but the Left (particularly Chevènement) has reentered the Cabinet, and the Communists—always more protectionist than the Socialists and now outside the government—are finally unmuzzled. No wing of the Socialist Party describes itself as protectionist, but, save for some Rocardiens, none are clear-cut supporters of free trade either.[62] All of the segments of the party are committed to reconquer the domestic market, which implies at least disguised protectionism; as one *Mitterrandiste* put it, "There is no contradiction between these two

[61] A summary of Mitterrand's early policy is given by Mark Mosley, "French Foreign Economic Policy under Mitterrand," *The Fletcher Forum* (Summer 1982), 417-34. Also see Volkmar Lauber, *The Political Economy of France* (New York: Praeger, 1983), 172-73.

[62] Jean-Claude Hazera, "M. Mitterrand et ses courants" [M. Mitterrand and his factions], *Le nouvel économiste*, No. 392 (June 13, 1983), 33.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

policies. We have reduced consumption. Now we must diminish the taste of the French for imported products."[63]

The true debate between "deloristes" and "albanais" in 1983 was not over protectionism *per se*, but over a clear-cut and general policy of import controls versus disguised and selective measures. French proponents of protectionism face the same dilemma discovered by the Cambridge Group: whether one can be both European and protectionist, since the source of the external trade imbalance is *European*. Despite alarm over the NICs that is evident in Grjébine and Hager, the constraint imposed on the French Socialists has little to do with Third World competitors; indeed, it is in trade with the developing countries that France still maintains a *surplus*. The difficulty is a persistent imbalance in trade with the O.E.C.D. trading partners, one that has grown worse with divergence in macroeconomic policies.[64]

Neo-protectionism and the Trade Regime

Programmatic neo-protectionism has been associated with labor-based coalitions and the Left in those countries in which it has entered the policy debate. Apart from France, such coalitions have not held power in any of the major industrial countries since 1982. The experience of both the British Labour Party and the Mitterrand government in France suggests that the first variant of neo-protectionism—a strategy directed against other industrialized countries in order to gain greater autonomy of economic policy—is not likely to be instituted even when they are in power. In Britain, the union supporters of the Labour Party have, predictably, made clear their preference for selective rather than general import controls. The implementation of a program of general import controls would require overriding the power of such organized interests—a leap of the Keynesian faith in disinterested economic managers that is characteristic of most neo-protectionist arguments. The propo-

[63] Erik Izraelewicz and Christine Mital, "Le complot protectionniste" [The protectionist plot], *L'Expansion*, No. 218 (June 17-30, 1983), 85. Hazera and this article provide interesting accounts of the debate within the Socialist Party; see also remarks by Jean-Pierre Cot, interviewed by George Ross, in *Newsletter of the Conference Group on French Politics and Society*, May 1983, p. 7.

[64] The importance of the external constraint is discussed by Michel Béaud, *Le mirage de la croissance: la politique économique de la gauche* [The mirage of growth: The political economy of the left], I (Paris: Éditions Syros, 1983), 130-40. On the recent composition of the French deficit, see Marc Bouteiler, "Le commerce extérieur de la France en 1982: autopsie d'un déficit" [The foreign trade of France in 1982: Autopsy of a deficit], *Chroniques d'actualité de la S.E.D.E.I.S.* 27 (March 15, 1983), 136-40; Gerard Moatti, "Notre déficit change de nature" [Our deficit changes its character], *"L'Expansion*, Nos. 220-220/bis (July 12–September 8, 1983), 7-9.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nents of programmatic protectionism have failed to note that the political economy of protectionism in advanced industrialized economies is very different from macroeconomic management, and that their programs would be an overlay on existing protectionist measures and an existing trade policy process.

Even if a dominant political coalition chose such a strategy, it is likely that it would be deflected by the same considerations that deterred Mitterrand in March 1983. The industrial countries participate in deeply embedded trade and monetary regimes that are difficult to challenge without the threat of an even wider unravelling of international economic order and domestic economic well-being. Patrick Stewart describes the transitional costs that would be suffered by any economy pursuing such a de-linking strategy and the difficulty in enforcing the measures put in place, particularly in a society with a mobile citizenry and a tradition of open borders.[65] To deal with a balance-of-payments deficit through protectionist measures would also require invoking international agreements (Articles 108 and 109 of the Treaty of Rome, Article XII of GATT) subject to the approval and surveillance of the same countries that would be the objects of the trade barriers. At the same time, would-be protectionists must convince these countries to shift their macroeconomic policies toward a more expansionary course and to refrain from retaliation, since retaliation would partly vitiate the original protectionist measures.

Neo-protectionist arguments are less likely to encourage experimentation with general import controls than to reinforce already existing tendencies toward managed trade within the international trade regime. The second variant of neo-protectionism—expressed concern over the advance of dynamic industrializers in the South and rejection of global Keynesian arguments concerning Third World industrialization—seems likely to have greater impact. It does not confront deeply entrenched norms, since much existing trade management takes place outside the GATT regime or, in the case of the Multifiber Arrangement, is only tenuously linked to it. More importantly, such neo-protectionism does not risk retaliation by a major industrial trading partner. Charles Lipson has noted a decline in the norm of nondiscrimination within the trade regime, and slippage toward a regime that is divided between an O.E.C.D. "liberal" core (with certain sectors excepted) and an increasingly "managed" North-South dimension.[66] (Japan, for these purposes,

[65] Stewart, *The Age of Interdependence* (Cambridge: The MIT Press, 1984), 85-86.

[66] Charles Lipson, "The Transformation of Trade: The Sources and Effects of Regime Change," *International Organization* 36 (Spring 1982), 451-52.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

can be seen as the first of the NICs.) Indeed, the shift noted by Lipson and the future he portrays matches closely the *desired* model of the future elaborated by Hager and Grjébine. The pressure of powerful industrial and labor groups in the O.E.C.D. countries has already pushed the international trade regime far toward increasing management of North-South trade in manufactures.[67] In turn, the encroachment of managed trade will influence calculations on economic strategy made by elites in the South, where protectionism remains politically a far more powerful alternative. If neo-protectionist arguments have an immediate influence, it is likely to be the provision of a legitimating ideology for the new, managed trading order.

[67] Estimates of the proportion of trade in manufactures that is managed by governments in some way range from 23.5% to nearly 30%; if intrafirm trade is added, the proportion climbs to 35-40%. ("How Managed Is 'Managed Trade'?" *The Economist*, December 25, 1982, 93.)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

STRATEGIES OF ECONOMIC CONTAINMENT: U.S. Trade Relations with the Soviet Union

By MICHAEL MASTANDUNO*

Introduction

IF a consensus exists in the literature on international economic sanctions, it is that attempts to use economic instruments to achieve political objectives are likely to fail.[1] This widely shared conclusion has been based on the analysis of a number of highly visible but unsuccessful attempts, including the League of Nations' sanctions against Italy in 1935-1936, the Arab boycott of Israel, U.S. sanctions against the Castro regime, United Nations sanctions against Rhodesia, and most recently, U.S. sanctions against the Soviet Union following the invasion of Afghanistan and the imposition of martial law in Poland.

The poor record of sanctions can be attributed to the fact that, in order to achieve its objectives, the government of a sanctioning state must overcome three demanding sets of constraints. First, it must placate or stifle domestic opposition from individuals or groups who believe they bear a disproportionate share of the burden of interrupting economic relations with the target state. In the absence of results, the more protracted the attempt, the more difficult it becomes for a government to ward off domestic opposition. Second, it must obtain the cooperation of other states that are possible alternative sources of supply and can thus nullify the economic impact of sanctions. International coordination

* The author gratefully acknowledges the financial support provided by The Brookings Institution, as well as the comments of David A. Baldwin, Edward A. Hewett, A. James McAdams, Richard Stuart Olson, John Steinbruner, Angela Stent, and Richard P. Suttmeier.

[1] See, for example, Klaus Knorr, *The Power of Nations* (New York: Basic Books, 1975); Donald Losman, *International Economic Sanctions: The Cases of Cuba, Israel and Rhodesia* (Albuquerque: University of New Mexico Press, 1979); Margaret P. Doxey, *Economic Sanctions and International Enforcement*, 2d ed. (London: Oxford University Press, 1980); Johan Galtung, "On the Effects of International Economic Sanctions, With Examples from the Case of Rhodesia," *World Politics* 19 (April 1967), 378-416. On East-West trade in particular, see Gunnar Adler-Karlsson, *Western Economic Warfare, 1947-1967* (Stockholm: Almquist & Wiksell, 1968), and Robert L. Paarlberg, "Lessons of the Grain Embargo," *Foreign Affairs* 59 (Fall 1980), 144-62.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is beset with difficulties, since other states may not agree with the objectives underlying the effort, or may be unwilling to make the economic sacrifices necessary to achieve them. Third, the sanctioning government must consider the response of the target. Different target states are not equally vulnerable to economic sanctions; more importantly, economic hardship does not necessarily produce the desired changes in the target's political behavior. As the Cuban and Rhodesian cases demonstrate, economic pressure may stiffen the resistance of the target government rather than bring about its capitulation. In light of these obstacles, it is not surprising that sanctions have been considered an ineffective tool of statecraft, despite the proclivity of policy makers to resort to them.

The historical record and conventional wisdom notwithstanding, a number of political scientists have recently begun to explore the conditions and circumstances under which economic sanctions might have greater effectiveness. Some have argued that "private" sanctions are preferable to "public" sanctions, since the latter are a more serious threat to the prestige of a sovereign government, and thus are more likely to inspire a nationalistic response. For similar reasons, others have suggested that "positive" sanctions—the promise of an economic reward—have a greater chance of success than "negative" sanctions—the threat of economic denial. It has also been asserted that direct investment by multinational corporations is potentially a more effective coercive instrument than international trade, since it provides the sanctioning state with a less visible and more subtle means by which to penetrate and manipulate the domestic society of the target.[2]

Critics of the consensus have also focused on the objectives of sanctions, contending that some goals are easier to achieve than others. The use of economic sanctions to destabilize an established government is usually a more ambitious undertaking than the attempt to change that government's behavior. Similarly, some types of behavior are more susceptible to outside influence than are others. A target state is more likely to comply with sanctions directed at issues that are of secondary importance to it than at those that threaten its "core values."[3] Symbolic sanctions—

[2] On the multinationals and private sanctions, see Richard Stuart Olson, "Economic Coercion in World Politics: With a Focus on North-South Relations," *World Politics* 31 (July 1979), 471-94; on positive sanctions, see David A. Baldwin, "The Power of Positive Sanctions," *World Politics* 24 (October 1971), 19-38. More generally, see Kenneth W. Abbott, "Linking Trade to Political Goals: Foreign Policy Export Controls in the 1970s and 1980s," *Minnesota Law Review* 65 (No. 5, 1981), 739-889.

[3] This distinction is made by Angela Stent, *From Embargo to Ostpolitik: The Political Economy of West German - Soviet Relations, 1955-1980* (Cambridge: Cambridge University Press, 1981), 17.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the use of economic measures to express approval or disapproval of a target state's policies—have an even greater likelihood of success, since they are intended only to communicate a message to the target government, rather than to produce a change in its behavior. Moreover, in any given attempt, the objectives sought by the sanctioning state may be multiple and complex. While it may not succeed in achieving the most explicitly stated (and usually most ambitious) objective, it may nevertheless satisfy secondary or tertiary goals.[4] For example, the very act of employing sanctions may enhance the standing of a government in the eyes of its domestic population or in those of the larger international community.

Overall, the "revisionist" position is that it is premature to conclude that economic sanctions are an ineffective tool of statecraft, especially if the focus is primarily on the most highly visible cases, and if the utility of sanctions is not compared to that of other instruments, such as diplomacy or the use of military force.[5]

The present study is revisionist in that it accepts that sanctions may have utility depending on the objectives sought and the means employed to achieve them. More importantly, it seeks to highlight a category of cases which thus far has received relatively little attention in the literature—namely, those in which economic sanctions are used to *weaken the military capabilities* of a target state. Sanctions for this purpose are most often employed during wartime, as demonstrated by Napoleon's Continental System and by the strategies of economic denial used by the Allies during World Wars I and II.[6] Sanctions are also used, however, for what might be called national security purposes in the absence of actual military hostilities. The most salient case—which is the empirical focus of this study—is the attempt by the United States to use export controls in order to weaken, or to delay improvements in, the military power of the Soviet Union.

The paper is divided into two parts. First, I will establish a framework for analyzing attempts at sanctions for national security purposes, by distinguishing three strategies of export control. Each relies upon different means to achieve its primary objective of weakening an adversary's military posture. *Economic warfare* is intended to weaken the overall

[4] See James Barber, "Economic Sanctions as a Policy Instrument," *International Affairs* 55 (July 1979), 367-84.

[5] The most comprehensive statement thus far is David A. Baldwin, "Economic Sanctions as Instruments of Foreign Policy," mimeo (Hanover, NH: Dartmouth College, 1984).

[6] See Eli Hechscher, *The Continental System* (Oxford: Clarendon Press, 1922); W. M. Medlicott, *The Economic Blockade,* Vols. I and II (London: H.M.S.O., 1952 and 1959); Alan W. Milward, *War, Economy and Society, 1939-1945* (Berkeley: University of California Press, 1977).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economy of the target. A *strategic embargo* attempts to deny items of direct and specific military utility to the target state. *Tactical linkage* seeks to manipulate trade relations in order to influence either the allocation of resources between military and civilian sectors in the target economy or the willingness of the target government to use its military power. All three might be called strategies of economic containment, in that they represent attempts to contain the expansion of an adversary's military power by using economic rather than (or in addition to) political and military means.[7]

Second, I will apply the analytical framework developed in the first part to contemporary U.S. economic policy toward the U.S.S.R. The potential effectiveness of each of the strategies will be evaluated in light of domestic and international constraints as well as the response of the target. My general conclusion is that only a strategic embargo is likely to be effective in influencing the Soviet Union's military potential. Economic warfare and tactical linkage have little chance of success and are economically and politically costly. Moreover, if the U.S. pursues economic warfare or tactical linkage along with a strategic embargo, it is likely to jeopardize the effectiveness of the latter. Thus, if the United States seeks to use economic instruments for national security purposes, it had best rely on one, and only one, strategy.

Strategies of Economic Containment

Economic Warfare

According to the logic of economic warfare, the relationship between the trade of the sanctioning state and the military capabilities of the target state is *indirect*. The target economy may be viewed as a mediating variable between the two. The strength of the argument for economic warfare as a strategic weapon rests upon the strength of two relationships: that between trade and the target economy, and that between the target economy and the military.

It has long been established that the economic and military capabilities of the modern industrial state are closely related. Both classical liberal and mercantilist thinkers understood that military power ultimately rests upon a foundation of economic power, both qualitatively and quantitatively.[8] The level of technology and labor and management skills

[7] The phrase is borrowed from, and the idea inspired by, John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (New York: Oxford University Press, 1982).

[8] See Edward Mead Earle, "Adam Smith, Alexander Hamilton, and Friedrich List: The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

available to the economy as a whole is generally that which is available to the military sector. Similarly, the greater the magnitude of overall productive capacity and the higher the rate of economic growth, the greater the amount of resources available for military use (as well as for other uses such as consumption and investment). Historically, there has been a direct relationship between the level of GNP and the level of military expenditures.[9]

In accordance with the law of comparative advantage, the state that engages in trade earns aggregate economic benefits. By exporting what it produces efficiently, and by importing those items that are needed for production and consumption but produced domestically only at relatively high cost, the state "saves" economic resources. These "extra" resources, in turn, can be devoted to military or civilian spending, or investment, or some combination of the three. *The critical assumption made on behalf of economic warfare is that the additional resources released by trade are ultimately devoted, wholly or in part, to military pursuits, and result in a significant improvement in military capabilities.* Or, what is logically the same, the resources provided by trade allow the target state to maintain a level of military expenditure and capability that—given the competing demands on its aggregate resources—it would not be able to maintain in the absence of trade.

Because of the two critical links, the most vulnerable target is a state that is both highly dependent on trade with the sanctioning state and is at the same time unable to provide the level of resources demanded by its military sector (or only able to provide these resources if it engages in trade). The least vulnerable target is a state that is largely self-sufficient (i.e., trade with the sanctioning state results in only a modest release of resources) and in which the demand of the military sector is easily satisfied at the pre-trade level of aggregate resources. In this case, the resources released by trade are likely to be channeled to the civilian rather than to the military sector. Between these extremes, an infinite number of target situations can be postulated by varying both the marginal contribution of trade to the economy and the propensity of the state to allocate marginal resources between the military and civilian sectors.

The extent of a target state's dependence on trade is determined by a variety of factors, including the size of its economy and population,

Economic Foundations of Military Power," in Earle, ed., *Makers of Modern Strategy* (Princeton: Princeton University Press, 1943), 117-54.

[9] Knorr (fn. 1), 47.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

its level of economic development, and the quality and composition of its natural resources.[10] Government policy may also be a critical factor: a state may consciously choose to sacrifice the economic benefits of trade in exchange for the expected political benefits of autonomy and self-sufficiency.

The second key relationship, that between the economy and the military, will be influenced primarily by the international predicament of the target state. A state engaged in or mobilizing for protracted war will devote as many of its economic resources as possible to its war effort. In such circumstances, military production and consumption constitute the overwhelming priority; any resources created through trade will be used either to heighten the war effort or to sustain it by helping to maintain civilian consumption at an acceptable level. In either case, a state at war or preparing for war is an attractive target for economic warfare.[11]

Different wars exact military demands of different magnitudes. A "total" war, fought by conventional means against an adversary of roughly equivalent economic and military strength, demands a greater commitment of resources than does a "limited" war, fought against a smaller and weaker adversary. During World War II, the major belligerents devoted 50 percent of their economic resources to the war effort; at the height of the Vietnam War, U.S. military spending was only approximately 10 percent of GNP.[12] All other things being equal, a state engaged in or preparing for a long war (or engaged in an arms race) with a major adversary is more vulnerable to economic warfare than a state involved in a limited war against a weaker opponent.

The potential vulnerability of a state may also be influenced by its domestic characteristics. Although generalization is difficult, we may assume that governments of authoritarian states, in control of centralized, command economies, are better able to determine the absolute and marginal allocation of economic resources than are governments of democracies with decentralized, market economies.[13] Facing fewer internal constraints, the former are better equipped to impose economic hardship on the consumer sector in the interest of the military. I do not mean to

[10] *Ibid.*, 84.

[11] During the early phases of World War II, the British went as far as to rely on economic warfare as their primary strategic instrument, hoping to achieve an "economic shortcut to victory." See Medlicott (fn. 6), I, p. 44. They quickly learned, however, that economic warfare could only complement, but not substitute for, military warfare.

[12] Knorr (fn. 1), 47.

[13] See Stephen D. Krasner, "Domestic Constraints on International Economic Leverage," in Klaus Knorr and Frank Trager, eds., *Economic Issues and National Security* (Lawrence: University of Kansas Press, 1977), 160-81.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

imply that the discretion of authoritarian regimes in resource allocation is absolute, or that inflicting hardship on the consumer is without political consequences. It is likely, however, that such governments are more able to frustrate attempts at peacetime economic warfare than are their democratic counterparts.

Assuming a state decides to pursue economic warfare, which items should be denied to the target? At its most rigorous, the logic of economic warfare calls for a complete trade embargo. Unless the target state trades foolishly, any commercial transactions will contribute, however marginally, to its economy; they will thus release resources that could be put to military use. The logical extreme notwithstanding, the fact that certain items contribute more significantly than others to the target's economy suggests that economic warfare can rationally be practiced selectively. In view of the cost of an embargo, it is sensible for the sanctioning state to focus its efforts on those items that, if unavailable, would bring the most harm to the target's economy.

Precisely which items will be most significant will vary across target economies, and within a single economy over time. In general, the most important can be defined as "bottleneck" items—those for which the target's demand is highly inelastic, but for which the cost of domestic production is either prohibitive or very high, at least in the short run.[14] If such items are embargoed, the overall output of the target economy will be reduced significantly, particularly if the items in question are intermediate goods (essential to the production process) rather than finished goods.

Since the transfer of technology is intended to result in a notable increase in economic output, technology can generally be assumed to be a bottleneck item.[15] An economy that introduces new technology into a production process will have a greater output (possibly of higher quality) with a given amount of inputs than previously. Moreover, unlike raw materials or finished products, technology is not "used up" in the production process. Rather, it provides the recipient with an enduring improvement in capabilities.[16] Through the diffusion of know-how (assuming the technology is absorbed effectively), the recipient can improve

[14] Peter Wiles, *Communist International Economics* (Oxford: Basil Blackwell, 1968), 462.
[15] *Ibid.*, 465.
[16] See Defense Science Board Task Force, *An Analysis of Export Control of U.S. Technology: A DoD Perspective* (Washington, DC: Office of the Director of Defense Research and Engineering, 1976). This is commonly known as the Bucy Report, after the Committee chairman, J. Fred Bucy of Texas Instruments. A good discussion of the relationship between technology transfer and the economy is also found in Philip Hanson, *Trade and Technology in Soviet-Western Relations* (New York: Columbia University Press, 1982), chap. 2.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

productivity and efficiency at production facilities other than those at which the technology was initially introduced. An entire sector, rather than a single factory, may thus enjoy the benefits of modernization. Over time, the large-scale transfer of technology tends to bring other indirect benefits, such as improvements in the quality and skill of the labor force and in the management and organization of production. As already noted, the level of technological sophistication of the economy as a whole is generally that which is available to the military; or, in the words of one analyst, "military developments have come to depend more and more intimately on the combined technological skills of the nation's entire industry."[17] Not surprisingly, therefore, in reconsidering the viability of economic warfare, U.S. officials have focused in particular on the long-run impact of Western technology transfers on the Soviet economy.

STRATEGIC EMBARGO

Both economic warfare and a strategic embargo may be used to weaken the military capabilities of an adversary; but the latter is not employed in the attempt to weaken the economy of the target state. Instead, it is meant to prevent the target state from importing only those items that could make a *direct* and specific contribution to its military capabilities, regardless of economic impact. Furthermore, a strategic embargo is explicitly designed to be highly selective in the scope and extent of its controls. It is intended to protect national security while interfering with trade only to the smallest possible extent.

The seizure of contraband during wartime is a clear example of a strategic embargo. The system of rules governing this action was codified in the 1909 Declaration of London; it separated traded goods into three categories according to their purpose and destination.[18] "Absolute contraband" referred to products used exclusively for war, such as arms and ammunition. Such items, carried by a neutral ship, could be seized by a belligerent if they were found to be destined for territories belonging to or occupied by the enemy or its armed forces. Goods that could serve both peaceful and military purposes were considered "conditional contraband," and could be seized only if destined for the government or armed forces of the enemy. Finally, "free goods" were those unlikely

[17] Thane Gufstafson, *Selling the Russians the Rope? Soviet Technology Policy and U.S. Export Controls* (Santa Monica, CA: RAND, 1981), 66. See also Alexander H. Flax, "The Influence of the Civilian Sector on Military R & D," in Franklin A. Long and Judith Reppy, eds., *The Genesis of New Weapons Systems* (Elmsford, NY: Pergamon Press, 1980), 113-36.

[18] See Robert W. Tucker, *The Law of War and Neutrality at Sea*, International Studies of the Naval War College (Washington, DC: G.P.O., 1955), chap. 9.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to be of use in war; they could not be seized by a belligerent, regardless of their destination.

Although the distinctions are plausible on paper, the contraband rules proved to be impractical when tested in the circumstances of total war. They were abandoned immediately on the outbreak of World Wars I and II. Their demise points to the two major problems that must be resolved in any attempt to carry out a strategic embargo, in wartime or peacetime.

First, the criteria of "military use" and the desire for highly selective controls may be incompatible. All items in international trade, even ostensibly "peaceful" goods, can conceivably serve military purposes. Food can be used to feed soldiers as well as civilians. Wool can be used to produce clothing for civilians or winter uniforms for soldiers. Trucks can carry troops to war or produce to market. And the same large computers that are useful in weather forecasting may be valuable in the design of nuclear weapons. In short, virtually every material, product, or technology can be defined as "dual-use"—having both military and civilian applications.

Moreover, any government in control of its economy and population is able to divert "civilian" trade to military purposes. Thus, on the eve of World War II, Great Britain recognized that "the distinction between absolute and conditional contraband will tend to disappear in the blockading of a totalitarian state."[19] Even in peacetime, the state that seeks to control any trade that *could* be put to military use by an adversary may find itself exercising comprehensive controls, more befitting economic warfare than a strategic embargo.

The second problem is potentially more troublesome. Even if a selective embargo is maintained, the control of items most likely to be of military *use* may not adequately reflect the contribution of trade to the target's military *capabilities*. Items that are not directly used by the military may nevertheless be of greater military significance to the target state—because of their economic significance—than items that actually are put to military use. This assertion follows from the argument that the target's military is but one part of its overall economy.

For example, a strategic embargo focusing solely on the likelihood of military use might prohibit the sale of ballistic missiles to an adversary while permitting the sale of wheat. However, if the target economy can produce ballistic missiles more efficiently than wheat (and assuming the target's military is well-fed), the sanctioning state had better embargo

[19] Medlicott (fn. 6), I, p. 70.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the latter than the former. The sale of wheat relieves a more significant burden to the target economy; theoretically at least, it releases resources which can be used to produce any missiles that would have been embargoed. Practically speaking, the missile embargo would be meaningless; the import of wheat permits the target economy to have both products.

This argument, based upon the law of comparative advantage, is a familiar one. It has led a number of economists to reject categorically the idea of a strategic embargo based on the denial of trade that is of direct military utility.[20] If trade controls are to be used for strategic purposes, economists have generally advocated economic warfare—based on the bottleneck effect—rather than a strategic embargo.[21]

The economists' criticism notwithstanding, it is possible to devise an economically sensible, selective strategic embargo that does concentrate on items of direct military utility. To do so, the control criteria must move beyond an exclusive concern with military use to a consideration of both military use and military significance. Rather than merely asking whether a dual-use product will be put to military use, the exporter must ask: "If this item is put to military use, will it make a significant contribution to the target's military capabilities?" A significant contribution is defined as one that, within a given time, enables the target to achieve a military capability that it otherwise could not reach. In more technical terms, an export item makes a significant contribution if it allows the target to attain a level of military output that lies beyond its current production-possibility frontier.[22]

According to this revised conception of a strategic embargo, the export of ballistic missiles should be prohibited only if (1) the target state is unable to produce them at all; (2) the missiles it can produce are markedly inferior in quality to those it wishes to purchase; or (3) it can produce missiles of comparable quality, but cannot produce them in the quantity it desires for its military purposes. If, on the other hand, the target can produce missiles of comparable quality and in sufficient quantity, they need not be embargoed, even if they may be used militarily.

In this manner, a strategic embargo can satisfy the requirements of

[20] See, for example, Wiles (fn. 14), 464.

[21] In addition to Wiles, see Theodore Kent Osgood, "East-West Trade Controls and Economic Warfare," Ph.D. diss. (Yale University, 1957), and Murray Kemp, *The Pure Theory of International Trade* (Englewood Cliffs, NJ: Prentice-Hall, 1964), chap. 15, "Trade Warfare: A Sketch."

[22] The distinction between trade that is "capability enhancing" as opposed to "resource releasing" is found in Robert Klitgaard, "Limiting Exports on National Security Grounds," *Commission on the Organization of the Government for the Conduct of Foreign Policy*, Vol. IV, Part VII (Washington, DC: G.P.O., 1975), 443-75.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

both selectivity and economic rationality. First, even though any item can be put to military use, only a select number of exports is likely to make a significant contribution to military capabilities if put to military use. The more developed the military capabilities of the target state (more precisely, the narrower the gap between the sanctioner's and the target's military capabilities), the more selective a strategic embargo can be.

Second, if the strategic exports embargoed are beyond the production possibilities of the target state, the resources released by nonstrategic trade will not, in the short run, enable the target to produce strategic items. The sale of wheat may increase the aggregate economic resources of the target (and thus the potential share of the military), but it will not release the type of resource (e.g., specialized equipment, technical expertise) that is unavailable domestically and is essential to produce ballistic missiles. Thus, one can argue that the sale of missiles, but not of wheat, should be prohibited. Over time, the resources released by non-strategic trade could contribute indirectly to qualitative military advances; for example, they could be devoted to a research-and-development effort that may result in a strategic military breakthrough. But this argument simply reiterates a point made earlier: technology transfers (or additional resources devoted to technological advancement) contribute to economic development; in the long run, a more developed economic base can accommodate a more sophisticated array of military capabilities.

The assertion that a strategic embargo prohibits the export of dual-use items that are beyond the production-possibility frontier of the target simply confirms that the sanctioning state seeks to exploit the bottleneck effect. It is important to emphasize, however, that a strategic embargo aims to restrict only items that are military bottlenecks. An important distinction between economic warfare and a strategic embargo is that the latter seeks to exploit *military* bottlenecks while the former is concerned primarily with *economic* bottlenecks. A strategic embargo permits

[23] Many items, of course, will simultaneously be economic and military bottlenecks. An item may be an economic, though not a military, bottleneck if the target can produce only a limited quantity of it, and if fulfilling the requirements of the military is considered the first priority. For example, the Soviet Union may currently be able to produce enough basic integrated circuits (ICs) to satisfy its military needs, but not the demands of its economy as a whole. That is the assessment of the C.I.A.; see "Soviet Acquisition of Western Technology," mimeo (Washington, DC: April 1982), 9. Therefore a strategic embargo would permit the sale of the ICs in question; economic warfare, seeking to stifle the modernization of the economy as a whole, would not. A strategic embargo, however, would deny the technology needed to produce the ICs if that know-how could be used to produce more sophisticated ICs, with more advanced military applications, which are currently beyond the Soviets' production-possibility frontier.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the export of products that relieve economic bottlenecks in the target, so long as they do not simultaneously relieve military bottlenecks.[23] An important implication is that, for a state employing a strategic embargo, trade which strengthens the economy of the target state is not necessarily detrimental to the security of the sanctioning state.

As in the case of economic warfare, technology is the key to the bottleneck effect of concern to a strategic embargo. In modern weaponry, technology has replaced raw materials as the production factor of primary importance. For both superpowers, military strength has become increasingly dependent on the direct application of dual-use technologies to weapons and military support systems. Indeed, the deterrence strategy of the United States currently relies explicitly on the country's ability to balance the quantitative military advantages of the Soviet Union with qualitatively superior weapons systems based on superior technology. Thus, the strategic embargo, which contributes to the ability of the United States to maintain its technological lead, has become an increasingly important element of U.S. defense strategy.

TACTICAL LINKAGE

There are two versions of tactical linkage as a strategy of economic containment. The first differs from the previous two strategies in both its immediate objectives and its means. Rather than attempting to weaken the target's military capabilities *per se*, it seeks to influence the target's behavior—specifically the willingness of its government to use its military power. The underlying premise is that, *if trade can reduce the utility of the target's military capabilities* even while enhancing those capabilities, then continued economic relations will serve the security interest of the sanctioning state. Or, as U.S. Secretary of Commerce Peterson put it in 1971, "a nation's security is affected not only by its adversary's military capabilities, but by the price which attends the use of those capabilities."[24]

While economic warfare and a strategic embargo rely upon trade denial, proponents of tactical linkage view trade as a tool of diplomacy; they attempt to calibrate it in accordance with changes in the target's behavior. Linkage rewards (or promises to reward) desirable behavior by permitting or promoting trade, and punishes (or threatens to punish) undesirable behavior by prohibiting trade. The sanctioning state assumes that its trade links are so important to the target state that the latter is willing to change its policies—in a manner desired by the sanctioner—

[24] Peter G. Peterson, *U.S.-Soviet Commercial Relationships in a New Era* (Washington, DC: U.S. Department of Commerce, August 1972), 3-4.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in order to maintain the connection. The target government will thus actually contain itself in order to avoid jeopardizing a valuable trade relationship.

In general, if tactical linkage is to be effective, the sanctioning state must control a significant portion of the target's trade—either absolutely or in a few key commodities. If it starts out with little or no bilateral trade, the sanctioning state will need to "invest" in future leverage by building up its trade relations with the target to the level at which the threat of denial is effective politically. In his classic study of the 1930s, Albert Hirschman demonstrates how the Germans consciously structured their trade with small East European countries to the point where economic dependence translated into political influence.[25]

When tactical linkage is practiced repeatedly against a single target over time, the sanctioning state must be prepared to employ both positive and negative measures in order to maintain credibility. Trade denial will not force a target to change its behavior unless the target believes trade will be restored if and when it complies. Similarly, trade rewards can bring concessions only if the target is convinced they will be removed if the concessions are not forthcoming. Samuel Huntington has argued that an effective tactical linkage strategy must be one of "conditioned flexibility"; the sanctioning state must be willing and able to "open and close the economic door."[26]

The second version of tactical linkage is analytically similar to the previous two strategies in that it is aimed directly at the target's military capabilities. Its distinctiveness lies in its means; it requires the sanctioning state to use trade *expansion* in order to influence the allocation of resources within the target economy. That is, the sanctioning state, by promoting trade in those civilian items that are "resource-absorbing" rather than "resource-releasing," attempts to induce the target to devote more resources to the civilian and fewer to the military sector.

For example, the sanctioner might offer the export of luxury items which the target otherwise would not produce or consume. John Maynard Keynes called this a "policy of temptation"; he suggested in 1939 that the British attempt it with regard to Germany as an alternative to economic warfare in the attempt to diminish the German military buildup.[27] Similarly, the sanctioning state might export civilian bottleneck products and technologies that require an additional commitment of

[25] Hirschman, *National Power and the Structure of Foreign Trade*, 2d ed. (Berkeley: University of California Press, 1980).

[26] Huntington, "Trade, Technology and Leverage: Economic Diplomacy," *Foreign Policy* 32 (Fall 1978), 63-80.

[27] Medlicott (fn. 6), Vol. I, p. 39.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

target resources before they may be fully utilized. In the early 1970s, U.S. proponents of detente argued that, if automobile technology were sold to the Soviet Union, it would require that the Soviets construct roads, service stations, and repair facilities—thus drawing resources away from potential use by the military.[28] More generally, they hoped that technology transfer, accompanied by personal contact, would open the Soviet Union to Western influences, further the cause of Soviet economic reformers, and prompt consumers to demand improvements in living standards. Trade would enable the United States to penetrate Soviet society and to form transnational ties with "liberal" domestic interest groups; these, in turn, would act as a constraint on the ability of the regime to maintain high levels of military output.

In this respect, tactical linkage may appropriately be considered the pursuit of economic warfare by other means. Proponents of economic warfare seek to reduce the overall level of the target's economic resources without attempting to influence the target's preferences (i.e., how those resources are to be allocated). They assume that, because it has fewer aggregate resources, the target will be forced to devote proportionately less to both military and non-military uses. Advocates of tactical linkage, on the other hand, seek to influence the target's preferences, even if in the process they bring about an increase in its economic capabilities. Such an increase implies that more resources are available for possible use by the military; but the underlying premise is that "additional" resources will be devoted to non-military use and that, due to the nature of the trade and its political impact, even resources previously allocated to the military will be drained away to the civilian sector. The outcome ultimately sought—as in the case of successful economic warfare—is a decrease in the target's military capabilities.

East-West Economic Strategy of the United States

We can now examine the three strategies of economic containment as applied to the current economic relationship between the United States and the Soviet Union. I will assess the desirability and potential effectiveness of each by focusing on the domestic and international constraints that attend its use. Since the U.S. has employed all three strategies, at times simultaneously, it will be possible to draw upon the historical record in evaluating their current and future potential.

[28] See, for example, John P. Hardt and George D. Holliday, *U.S.-Soviet Commercial Relations: The Interplay of Economics, Technology Transfer, and Diplomacy* (Washington, DC: G.P.O., June 10, 1973).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ECONOMIC WARFARE

Traditionally, American economic strategy has closely reflected the state of its political relationship with the Soviet Union. During the 1950s and 1960s, economic warfare complemented the confrontational political approach taken by Washington. Not surprisingly, economic liberalization accompanied the political relaxation known as detente. After the Soviet invasion of Afghanistan, economic warfare re-emerged as U.S. strategy, in the wake of renewed political hostility between the superpowers.

Economic warfare appeared particularly attractive to those officials in the Reagan administration who perceived a "window of opportunity" with regard to the Soviet economy. Their analysis suggested that for the foreseeable future, the Soviets would experience severe economic distress, characterized by slow growth, trade deficits, and shortages of hard currency.[29] They expected that these problems would be exacerbated by the denial of Western technology and credits, which, they believed, have made a significant contribution to Soviet economic growth, particularly since the early 1970s. Further, in view of the existing consumption and investment commitments of the Soviet leadership, a reduction in the growth potential of the economy through trade denial would make it difficult for the Soviets to maintain the pace of the arms race that has been accelerated by the United States. Thus, American officials came to view economic warfare as a promising strategic weapon, designed to force the Soviets to recognize their inability to compete militarily with the U.S. over the long run.

Despite the attraction it holds for U.S. policy makers, a renewed strategy of economic warfare is likely to meet with little success. The most important constraint is international. Washington has recognized that, in order to be effective, economic warfare requires the support of America's major allies, since they provide most of the Western technology as well as significant credit to the Soviet economy. Western Europe and Japan, however, have been firmly opposed to implementing the strategy. They view it as economically costly, particularly under circumstances of global recession when even relatively marginal export markets take on additional significance. Moreover, they fear that economic warfare is politically provocative to the Soviets and thus may ultimately decrease Western security. President Mitterrand of France expressed this general European concern when he stated that economic

[29] See, for example, comments by Defense Department officials, *New York Times*, March 14, 1982, p. 1; Caspar W. Weinberger, *Annual Report to the Congress for Fiscal Year 1983* (Washington, DC: U.S. Department of Defense, 1982), II-26-32.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

warfare with the Soviet Union could be the first step down the road to East-West military confrontation.[30]

Historically, the Western allies agreed to practice economic warfare only once, in the context of the Korean war (1951-1953). At that time, the Soviet Union was perceived to be posing an imminent danger to Western security; this threat resulted in the dual response of rearmament and the application of a broad embargo intended to prevent the enhancement of Soviet industrial strength.[31] European officials, suspecting that the Soviet Union was mobilizing for general war, considered it an appropriate target for economic warfare. By 1954, however, when the immediate military threat had receded and the West European economies were on the road to economic recovery and in pursuit of export markets, economic warfare was abandoned by America's allies; the United States was forced to practice it unilaterally.

Despite a series of high-level U.S. initiatives between 1980 and 1984, the governments of Western Europe and Japan again refused to adopt economic warfare as alliance strategy. They categorically rejected American attempts to change the governing criteria of the Coordinating Committee (CoCom) embargo by means of which the U.S. wanted to extend multilateral Western export controls to items of broad industrial utility to the Soviets (turnkey factories, and oil and gas exploration equipment).[32] They were also unwilling to make reductions in the volume of official export credit available to the U.S.S.R., despite Washington's contention that "the transfer of hard currency to the Soviet Union is a strategic question intimately related to the whole issue of how we will relate to the U.S.S.R. for the rest of this century."[33] West European governments, in accordance with the outcome of negotiations in the O.E.C.D., were willing to raise the interest rate on loans to the Soviet Union for reasons of commercial prudence; they refused, however, to employ credit controls as a strategic weapon.

The allies rejected economic warfare most dramatically, of course, by their refusal to abandon participation in the Siberian gas pipeline project.

[30] Interview in the *Washington Post*, June 15, 1982, p. 1.

[31] On European willingness to comply with economic warfare, see Michael Mastanduno, "In Pursuit of Closure: American East-West Trade Strategy, 1949-58," mimeo (Clinton, NY: Hamilton College, 1983). For an alternative explanation, see Adler-Karlsson (fn. 1).

[32] The Coordinating Committee (CoCom) is the multilateral export control regime of the NATO allies, minus Iceland and Spain, plus Japan. Its controls have traditionally focused on civilian items of direct military utility. The U.S. proposal that the control criteria be broadened was made at a special high-level meeting of CoCom in January 1982, and at subsequent CoCom meetings. Interviews (not for attribution) at the Trade, Defense, and Foreign Ministries of Britain, France, and West Germany, May-July, 1982.

[33] The comment was made in a speech by Under Secretary of State Lawrence S. Eagleburger, *New York Times*, March 31, 1982, p. A8.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

As U.S. officials frankly acknowledged, stopping the pipeline was the cornerstone of their strategy of economic warfare. The export of natural gas to Western Europe would provide the Soviets, over the next decade, with sufficient hard currency earnings to alleviate the competition for resources between the military and civilian sectors. Moreover, it would enable them to purchase the economically significant technology from the West that would be available because the allies were unwilling to accept a broader CoCom embargo. In short, European participation in the pipeline threatened to close the American window of opportunity.

In June 1982, having failed to persuade its allies of the strategic disadvantages of the pipeline deal, the United States resorted to coercion. Instead of obtaining compliance, however, the extraterritorial extension of U.S. export controls and the subsequent blacklisting of European firms inspired European defiance and provoked a confrontation of major proportions. After months of stalemate, Washington backed down; in November, a face-saving rationale was devised for lifting the sanctions imposed against the allies.[34]

The pipeline episode, along with U.S. failures in CoCom and over credits, demonstrates that if the United States chooses to pursue economic warfare, it has to do so unilaterally. Only a sharp increase in international tensions, viewed in Europe as an immediate security threat, is likely to justify the economic costs and political risks of economic warfare to European officials. Thus far, the U.S. has been unable to convince them that the Soviet Union's behavior in Afghanistan and Poland poses as serious a danger as that presented by the Korean invasion 30 years earlier.

In pursuit of economic warfare, the U.S. also faces domestic constraints. Despite strong objections from the Departments of State and Defense, President Reagan abided by his campaign promise and lifted the Soviet grain embargo in April 1981. Grain is clearly a bottleneck item in the Soviet economy; according to Jan Vanous of Wharton Econometrics, imports of feedgrains "save" the Soviet economy the equivalent of $30 billion annually.[35] U.S. grain sales thus assist the Soviet economy significantly, thereby compromising the strategy of economic warfare and weakening Washington's credibility in alliance negotiations. American grain sales increased European resistance to economic warfare, since it appeared to the allies that the U.S. expected them to bear a disproportionate share of the economic burden of the strategy. The Reagan

[34] For the resolution of the crisis, see *New York Times* and *Washington Post*, November 14 and 15, 1982, p. 1.

[35] *Washington Post*, October 10, 1982, p. C3.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

administration's attempt to resolve this paradox by proposing that grain sales were resource-absorbing while the pipeline deal and technology exports were resource-releasing did not convince European officials. The grain/pipeline issue demonstrates that domestic constraints on the effectiveness of a sanctions strategy can reinforce and increase the potency of international constraints.

Similarly, failure to obtain international cooperation tends to strengthen domestic opposition. Having failed to obtain CoCom's approval of an embargo, the Reagan administration decided in early 1984 to relax its unilateral restrictions and permit U.S. firms to export oil and gas equipment to the Soviet Union.[36] Because firms in Europe and Japan were able to supply similar equipment, it had become impossible for the administration to justify a unilateral embargo to American exporters, despite the fact that the items in question made a clear contribution to the Soviet Union's economic potential.

Even if domestic and international constraints could be overcome, it is by no means clear that economic warfare would serve to reduce Soviet military capabilities. Recall that, for economic warfare to be effective, the target must be dependent on trade with the sanctioning state(s) and must be willing to divert resources at the margin away from the military sector. In the case of the Soviet Union, both assumptions are open to challenge. First, because of the size and relative self-sufficiency of the Soviet economy, U.S. (and Western) trade is a rather insignificant factor in determining the level and growth rate of the Soviet Union's GNP.[37] The key determinants of Soviet economic activity are internal rather than external. Second, despite the optimism of the Reagan administration, there is no reason to believe that the burden of trade denial would be borne primarily by the Soviet military sector. The U.S.S.R. has traditionally subordinated civilian to military needs and is likely to continue to do so, particularly in an atmosphere of heightened East-West tensions.[38] Ironically, by pursuing economic warfare the U.S. actually provides the Soviet regime with a convenient rationale for imposing continued austerity on the consumer sector.

TACTICAL LINKAGE

The likelihood that the United States can pursue an effective strategy of tactical linkage against the Soviet Union is also slim. Here, too, there

[36] *New York Times*, March 7, 1984, p. D1.

[37] Edward A. Hewett, "The Likely Effects of U.S. Economic Pressure on the Decisions made by Soviet Leaders," in U.S., Congress, Senate, Committee on Foreign Relations, *Economic Relations with the Soviet Union*, 97th Cong., 2d sess., August 12-13, 1982, pp. 128-31.

[38] *Ibid.*, 130.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

are international and domestic constraints that, individually and combined, are difficult if not impossible to overcome.

As in the case of economic warfare, the use of trade to influence the global behavior of the Soviet Union requires the support of other suppliers. The American sanctions attempt after the invasion of Afghanistan demonstrated that such cooperation is difficult to obtain. The NATO allies shipped significant amounts of grain to the U.S.S.R. despite their commitment to restrict exports in 1980 to "normal" levels.[39] More importantly, Argentina refused to cooperate with the embargo in any way; it even exploited the situation by diverting trade away from its normal markets in order to supply the Soviet Union. Washington was equally unsuccessful in its attempted embargo of high technology. Late in 1980, German and French firms defied the United States by signing major contracts (which the sanctions had forced U.S. firms to abandon) to build turnkey aluminum and steel factories in the U.S.S.R.[40]

In general, U.S. allies are as reluctant to link trade explicitly to Soviet political behavior as they are to engage in economic warfare. They view tactical linkage as an economic burden since it interrupts and jeopardizes ongoing trade relationships, and as politically "naive and unrealistic" since the Soviets are unlikely to be coerced by trade denial into making fundamental political concessions.[41] Their differences with the United States were revealed in 1978, when the Carter administration twice attempted to link technology transfer to the Soviet Union's foreign and domestic behavior.[42] First, the administration created considerable friction in the alliance by requesting cooperation in the denial of an advanced computer system for the Soviet press agency, TASS. Those allies that reluctantly acquiesced made it clear that they did so only to avoid a confrontation with the United States, and not because they viewed linkage as a desirable strategy. The French went even further; they flatly refused to cooperate, and allowed the sale—thus frustrating the potential effectiveness of the American sanctions.

Second, the U.S. tightened its restrictions on the export of oil and gas technology to the U.S.S.R. Well aware of the sentiment of its allies, it did not even attempt to enlist their support in this instance. An alliance dispute was thereby avoided, but European and Japanese firms were able to obtain Soviet contracts that were no longer available to U.S.

[39] See Paarlberg (fn. 1), 149-53.

[40] *Financial Times*, September 6 and 17, 1980, p. 1.

[41] A succinct review of European views can be found in Richard F. Kaufman, *Western Perceptions of Soviet Economic Trends*, a staff study prepared for the U.S. Congress Joint Economic Committee, March 6, 1978.

[42] See Abbott (fn. 2), 790-97.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

firms. European exports replaced some of those of the U.S., and again the American attempt at sanctions was foiled.[43]

Clearly, it is unrealistic to expect that other Western countries will participate with the U.S. in a systematic strategy of tactical linkage. They again demonstrated their opposition in early 1982, when they refused to join the United States in imposing sanctions against the U.S.S.R. for its role in the imposition of martial law in Poland. German Chancellor Schmidt suggested at the time that Western security was more likely to be enhanced by a concerted approach to global economic problems than by collective economic sanctions.[44] Despite high-level diplomatic bargaining and rhetorical European support, the U.S. found itself pursuing tactical linkage unilaterally.[45]

The use of sanctions to influence Soviet behavior also places the U.S. government in conflict with American business. Of the three strategies under consideration, tactical linkage raises the greatest amount of concern in the business community because it threatens the reputation of U.S. firms as reliable suppliers. In order to be effective, the strategy requires that trade relations be approached with flexibility. The government must be prepared to intervene and manipulate trade as political conditions warrant. For the successful penetration of international markets, however, a stable and predictable business environment is essential. Importers must be confident that their initial orders will be filled promptly and that follow-up services will be available if necessary. As long as the U.S. government routinely engages in tactical linkage, American firms will be unable to provide such assurances.

Business opposition to tactical linkage has manifested itself in a number of ways. As noted earlier, the Carter grain embargo was sufficiently unpopular with farmers for Ronald Reagan to lift it—despite his anti-Soviet instincts and strategy. Business pressure also constrained the Carter sanctions of 1978. Although oil and gas exploration equipment was added to the U.S. Commodity Control List (which meant it required a validated export license prior to its export), not one of over a hundred

[43] For examples of U.S. firms losing business to Western competitors, see U.S., Congress, Senate, Committee on Banking, Housing, and Urban Affairs, *Use of Export Controls and Export Credits for Foreign Policy Purposes* [hereafter cited as *Use of Export Controls*], 95th Cong., 2d sess., October 10-11, 1978.

[44] For the interview with Schmidt, see *New York Times*, January 3, 1982. p. A1.

[45] The members of the Common Market did promise not to undercut U.S. sanctions, and later expressed their disapproval of Soviet activity by imposing a modest embargo on certain Soviet exports. *New York Times*, March 12, 1982, p. A6. Officials on both sides of the Atlantic have suggested that the allies had drawn up a plan to impose collective sanctions in case the Soviets intervened militarily in Poland. The alliance was unprepared, however, to deal with contingencies short of an invasion.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

licenses subsequently requested was denied.[46] The result was the worst of both worlds: American firms lost contracts due to the delays they encountered in obtaining licenses, while the government's linkage strategy lacked credibility because its willingness to grant licenses suggested that it did not actually intend to restrict trade with the Soviet Union.

The response of the Soviet Union must also be considered a serious constraint on the utility of tactical linkage. In view of its economic self-sufficiency and, more importantly, the political sensitivity of its leaders to its superpower status, it is difficult to believe that the threatened cutoff of Western trade would cause the Soviets to change their policy on a matter they deem to be of significance to national security. The experience of the 1970s shows that, despite the expansion of trade and the willingness of the U.S. to resort to sanctions, Moscow was not deterred from involvement in the Middle East, Africa, and Afghanistan. One might argue, as Kissinger has recently, that it is inappropriate to draw conclusions from the 1970s, since the Western allies were not fully prepared to implement meaningful sanctions.[47] Although that may be true, there is little reason to believe that the allies will act with collective effectiveness in the future, or that Soviet policy would be affected significantly if they do.

Even though the idea was popular at the time, the United States never explicitly attempted the second version of tactical linkage: the use of trade to influence the allocation of resources within the U.S.S.R. As a strategy of economic containment, however, such an effort would have advantages over the attempt to use trade in order to influence the Soviet Union's external behavior. Most importantly, it would not require international coordination. Other Western states could export to the U.S.S.R. products and technologies similar to those of the United States without undermining the potential effectiveness of U.S. strategy. In fact, such sales, when combined with those of the U.S., might enhance the strategy's effectiveness by inducing the Soviets to shift an even greater amount of resources to the civilian sector. In addition, since it involves long-term trade promotion, the strategy would gain the support of U.S. business. Rather than be in conflict, the economic interests of business

[46] The controls went into effect on August 1, 1978; between that date and March, 1979, there were 113 requests for licenses. See the testimony of Commerce Secretary Kreps in U.S., Congress, Senate, Committee on Banking, Housing and Urban Affairs, *U.S. Export Control Policy and Extension of the Export Administration Act*, 96th Cong., 1st sess., March 5 and 6, 1979, p. 66.

[47] Henry A. Kissinger, "Trading with the Russians," *The New Republic*, June 2, 1982, pp. 14-16.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and the strategic objectives of government would complement each other.

Such a strategy, however, might encounter serious political opposition within the United States. Large-scale trade promotion is likely to be opposed—as it was during the early 1970s—by those who believe that the Soviet Union benefits disproportionately from trade with the U.S., and should therefore pay a political price for it. This sentiment was reflected in the widespread approval of the Jackson-Vanik Amendment of 1974, which severely slowed the momentum of U.S.-Soviet trade by linking the granting of most-favored-nation status and export credits to Soviet emigration policy.[48] Many members of Congress supported the amendment—regardless of their position on emigration—because they believed that the Soviet Union should make some concession in exchange for the generous extension of American technology, credits, and grain. The enduring popularity of the belief that U.S. trade is a "gift" to the U.S.S.R. may well constrain any systematic attempt to exploit the resource-absorption effect.

Furthermore, there is no reason to expect that the Soviet Union would cooperate with such a strategy. Trade promotion is as unlikely as trade denial (i.e., economic warfare) to influence the allocation of resources to the military sector. How much the Soviets spend on defense will more probably be determined by the bureaucratic power of their military and by the level of U.S. spending than by the nature and extent of Western trade.

STRATEGIC EMBARGO

The U.S. strategy of economic containment that is most likely to be effective is a selective strategic embargo on commercial exports of direct military significance to the Soviet Union. Although there are certain problems associated with it, it has the potential to overcome the domestic and international constraints that plague economic warfare and tactical linkage.

Even though American business is strongly opposed to the other two forms of containment, it has been generally supportive of a strategic embargo when multilateral cooperation has been assured.[49] Since its controls are highly selective, a strategic embargo is compatible with the expansion of East-West trade. Unlike economic warfare, it is easy to

[48] A detailed analysis of the domestic politics of the Jackson-Vanik Amendment is Paula Stern, *Water's Edge: Domestic Politics and the Making of U.S. Foreign Policy* (Westport, CT: Greenwood Press, 1979).

[49] See, for example, the statement of William Verity, Chairman of Armco, in *Use of Export Controls* (fn. 43).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

justify as a "defensive" measure, essential to the protection of national security. It is not as likely to inspire retaliation by the target state or to create a political climate that discourages private firms from pursuing nonstrategic trade with the target state. Unlike the controls of tactical linkage, those of a strategic embargo are relatively predictable and do not fluctuate sharply over time. It therefore does not jeopardize the reputation of American firms as reliable suppliers.

The problem of alternative suppliers has been minimized by the existence of the CoCom control system. Since 1950, the Western allies of the United States have considered it to be in their national security interest to participate in CoCom. Britain and France, in fact, were instrumental in fostering the creation of this organization.[50] Although economic objectives are of primary importance, Western Europe and Japan have been willing to exercise national security controls, with two important conditions.

First, the controls must be narrowly focused on civilian items of *direct* military significance. CoCom members, a State Department official admitted with some resignation in 1982, "exercise considerable care to avoid controls whose principal impact would be economic rather than military."[51] The allies, in other words, do not accept economic warfare as an appropriate strategy for CoCom.

Second, because of the primacy of economic interests, each state is willing to deny exports only if it can be assured that all other suppliers are doing the same. The strategic interest of the allies in export controls is contingent: unlike the United States, no state is willing to risk the loss of export markets to competitors by acting unilaterally. Bringing together the major Western suppliers in an organized forum, CoCom provides what each state requires—current information on what other participants are willing or unwilling to embargo. CoCom thus reduces uncertainty and increases the incentive to implement a strategic embargo. And, since the CoCom controls affect only a small percentage and a narrow range of traded goods, the embargo is compatible with the pursuit of economic objectives.

CoCom faced its most serious challenge during detente. The intensification of Western competition for Eastern export markets and the relaxation of political tensions combined to weaken the commitment of its members to multilateral controls. Exceptions to the embargo prolif-

[50] See Michael Mastanduno, "Between Economics and National Security: The Western Politics of East-West Trade," Ph.D. diss. (Princeton University, 1985), chap. 3.

[51] See the statement of James Buckley in U.S., Congress, Senate, Permanent Subcommittee on Investigations, *Transfer of U.S. High Technology to the Soviet Union and Soviet Bloc Nations*, 97th Cong., 2d sess., May 4-6, 11-12, 1982, p. 160.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

erated, and enforcement was lax. More importantly, the role of the United States changed dramatically. The U.S. had traditionally assumed primary responsibility for maintaining the cohesion of CoCom and the integrity of the strategic embargo. During detente, however, the U.S.—though critical of its allies—requested more exceptions to the CoCom embargo than any other member, and was even willing to export items of potential military significance to the U.S.S.R.[52] As a result, CoCom was a source of controversy throughout the 1970s; the allies questioned each other's motives and commitments, and expressed doubts whether the organization could continue to serve a useful purpose strategically.

Since 1980, however, CoCom has been strengthened, mainly at the initiative of the United States. Exceptions granted to the U.S.S.R. have been curtailed sharply, and enforcement has been improved. The recently completed review of the CoCom list has resulted in a significant expansion of controls, including items previously subject to little or no restrictions, such as software, robotics, micro-computers, and computerized telecommunications equipment.[53] That additions to the list of restricted goods include items currently at the forefront of Western trade competition is testimony to the fact that Western Europe and Japan are willing to sacrifice potential trade benefits—if the U.S. provides leadership, if all suppliers agree, and if a cogent case for the *strategic* (i.e., direct military) significance of the item can be made.

In addition to enjoying the support of American business and the allies, a strategic embargo is the strategy most likely to have a significant impact on Soviet military capabilities. I do not mean to imply that the Soviet Union can be forced to become a second-class military power if it is denied Western technology. The objective of a strategic embargo is far more modest: it seeks primarily to maintain the lead time of the United States, relative to the Soviet Union, in the application of civilian technologies to military systems. Sustained Soviet efforts to acquire, legally or illegally, technologies controlled by the Western allies in which it lags behind suggest that CoCom can play a key role in this regard. During the 1970s, when the Western alliance did not consider CoCom to be a high strategic priority, the Soviets were relatively successful in acquiring technology; they reduced U.S. lead time in a number of critical areas, particularly micro-electronics.[54] In the 1980s, this will prove more difficult; the Western allies have increased their awareness of Soviet

[52] U.S., Congress, Office of Technology Assessment, *Technology and East-West Trade* (Washington, DC: G.P.O., 1979), 157-60.

[53] *Financial Times*, July 16 and 25, 1984, p. 1.

[54] U.S. Central Intelligence Agency, "Soviet Acquisition of Western Technology," mimeo (Washington, DC: April 1982).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

efforts and have responded by tightening the multilateral strategic embargo.

Still, all is not well with CoCom. There are a number of problems that, if left unresolved, could threaten the effectiveness of the multilateral control system, and thus of the U.S. strategic embargo. The following are the most significant ones.

First, while the CoCom allies agree that strict controls should be exercised over "strategic technology," conflicts remain over precise definitions. The U.S. has recently attempted to broaden the concept of technology transfer for purposes of export control; it now extends beyond machinery and equipment, and includes items that are less tangible, such as technical data, management and organizational skills, and scholarly communication among scientists.[55] Other CoCom members have been reluctant to accept a broader definition, citing both legal restraints on their control authority and the impracticability of enforcing such an embargo.[56] European officials have argued, for example, that ideas can be carried across borders in people's minds, and blueprints can be transferred via diplomatic pouch. Even though some member governments have recently acquiesced, and strengthened their restrictions on the transfer of technical data, this issue has yet to be resolved by CoCom. Without a general consensus, the U.S. will be left in the difficult position of trying to control categories of technology that are freely available elsewhere in the West.

The second problem concerns the length of the list of controlled items. In their zeal to deny strategic technology to the Soviet Union, U.S. officials—particularly in the Department of Defense—have erred on the side of caution in their working definition of military significance. Just as it is inadvisable to be guided by the criterion of military use rather than that of military significance, it is counterproductive to define as militarily significant anything that could possibly be put to military use (e.g., personal computers). European officials warn that the longer the list, the greater the amount of exceptions that will be requested, and the weaker the enforcement of all controls by member governments.[57] Ironically, then, U.S. attempts to strengthen the strategic embargo could ultimately have the opposite effect. The alternative—focusing controls

[55] The initiative stems directly from the recommendations of the Bucy Report. Generally, see Mitchel B. Wallerstein, "Scientific Communication and National Security in 1984," *Science* 224 (May 4, 1984), 460-66.

[56] Interviews, Defence Ministry of Great Britain, June 2, 1982, and Economics Ministry of the Federal Republic of Germany, July 8, 1982.

[57] *Ibid.* Similar arguments were made by French officials. Interview, Foreign Ministry of France, June 15, 1982.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

selectively on those items most critical to Soviet military capabilities—appears to be the obvious choice; it has thus far eluded American export control officials in their construction of the list of controlled items.

The third problem might be described as the politicization of CoCom. The U.S. has tended to abuse the CoCom system and its privileged position within it by employing what are ostensibly national security export controls for political purposes. During the early 1970s, the Nixon administration offered exceptions as a positive sanction in the attempt to influence Soviet behavior. In 1978, the Carter administration tried to use CoCom as a means to obtain allied compliance with its foreign policy objectives. (This attempt prompted the comment by a German official that "human rights have no place in CoCom.")[58] Recently, European leaders have expressed serious reservations regarding the manipulation of CoCom exceptions by the Reagan administration for the purpose of rewarding certain Communist states (e.g., China) and punishing others (e.g., Poland).[59] The use of CoCom as a political instrument decreases the incentive of Europe and Japan to cooperate, and thus threatens the effectiveness of the strategic embargo.

A fourth problem concerns the availability of strategic technology from non-CoCom sources, particularly neutral states such as Sweden, Switzerland, and Austria. In addition to being independent sources of supply, such states act as transshipment points between CoCom members and the Eastern bloc. Moreover, there is the contingent nature of the allies' interest in CoCom controls: if strategic technology is available from non-CoCom sources, European members of CoCom will eventually be unwilling to maintain controls over it. Primary responsibility for obtaining the compliance of non-CoCom states falls upon the U.S., which has recently intensified its efforts, particularly with regard to Austria.[60] If these attempts are unsuccessful, the renewed CoCom consensus on stricter controls is likely to falter.

The fifth and potentially most damaging problem concerns West-West trade. In an effort to protect against the transshipment of U.S. technology, the Reagan administration has increased its vigilance over U.S. exports to other CoCom members. It has thus incurred the wrath of both American business (which has far more at stake in Western than in Eastern markets) and its major allies (who resent what is essentially a vote of no confidence in their efforts at enforcement).[61] The

[58] Interview, Economics Ministry of the Federal Republic of Germany, July 8, 1982.
[59] *Ibid.*
[60] *Wall Street Journal*, July 25, 1984, p. 1.
[61] *Financial Times*, April 24, 1984, p. 1.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tightening of West-West trade, while perhaps providing some additional protection for U.S. technology, threatens to undermine the CoCom consensus and, more importantly, the cohesion of the Western alliance as a whole. Such controls are incompatible with the maintenance of a liberal trading order, which has provided the broad foundation of Western prosperity—and Western security—in the postwar era.

Conclusion

In questioning the conventional wisdom regarding the lack of effectiveness of international economic sanctions, I have focused on the utility of sanctions for achieving a particular national security purpose—the weakening of an adversary's military capability. After formulating three strategies and applying them to the case of U.S. trade with the Soviet Union, the major conclusion is that only one strategy—a strategic embargo, employed consistently and selectively over the long run—is likely to be effective in achieving that objective. The other two strategies—tactical linkage and economic warfare—are likely to be frustrated by opposition from domestic interest groups, the failure of the United States to obtain international cooperation, and the response of the Soviet Union. Although it is accurate, therefore, to state that sanctions may be useful in weakening the Soviet Union's military capabilities, one must carefully specify the means (i.e., strategy) by which this objective can be pursued effectively.

The conclusion may be taken one step further. A strategic embargo is not only likely to be the most effective strategy, but also has its greatest chance for success if the U.S. simultaneously abandons the pursuit of tactical linkage and economic warfare. By pursuing either (or both) of the others along with a strategic embargo, the United States risks undermining the effectiveness of the latter by reducing the willingness of the allies to comply with it.

Since Western Europe and Japan are firmly opposed to economic warfare, the United States is certain to provoke an alliance confrontation by attempting to obtain their compliance with this measure. It would be difficult to prevent such a confrontation from "spilling over" and having a negative effect on the multilateral strategic embargo, since both issues involve export controls directed against the Soviet Union. During the pipeline crisis, for example, the U.S. made little progress with its proposals in CoCom, despite its efforts to keep the two issues separate. More threateningly, close advisors to French President Mitterrand reportedly urged him at the time to withdraw France from CoCom in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

retaliation for the extraterritorial extension of U.S. export controls.[62] Fortunately for the United States, Mitterrand did not accept their advice. An important reason the U.S. worked hard to resolve the pipeline crisis was that it threatened to destroy the willingness of the allies to cooperate in the critical review of the CoCom list, which began only four months after the crisis erupted. The allies simply would not accept proposals for a broader and deeper strategic embargo while European firms were being blacklisted by the U.S. government.

Moreover, even if the U.S. could coerce the allies into cooperating in economic warfare, it would probably still jeopardize the strategic embargo. The longer the control list, the less diligent the allies will be in implementing it. Weaker enforcement would affect not only those additional items of economic significance, but those of critical military significance as well. In other words, the entire control list, not just that part of it that reflects an extension of controls for economic warfare, would be enforced less faithfully.

Similar problems arise with regard to tactical linkage. The allies particularly oppose U.S. attempts to force their cooperation by implementing its foreign policy controls through CoCom. In making this a routine practice, Washington detracts from the potential power of the strategic embargo. It is difficult for the U.S. to make a convincing case in CoCom for more restrictive export controls when other members suspect that its initiatives may be motivated by political rather than strategic concerns. Normally persuasive arguments regarding the need to control particular items due to their strategic utility will meet with skepticism as the allies search for a hidden political agenda (which they may not support) behind American proposals for controls.[63]

The United States may, of course, attempt to separate its efforts to achieve alliance coordination for tactical linkage from the CoCom process. Although this course is clearly preferable to the politicization of CoCom, the strategic embargo may nevertheless be affected. Again, since both efforts involve East-West trade controls, it will be difficult for government officials to keep them separate, particularly if one—tactical linkage—is producing extreme discord in the alliance.

In order to insulate the strategic embargo from the detrimental effects of conflicts within the alliance, the U.S. might pursue economic warfare or tactical linkage unilaterally. The problem here is that the allies, acting as alternative suppliers, can frustrate either strategy; there is therefore

[62] *Washington Post*, November 29, 1982, p. 13.

[63] An interesting analysis of the politicization of U.S. national security export controls is William A. Root, "Trade Controls That Work," *Foreign Policy* 56 (Fall 1984), 61-80.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a great incentive for any U.S. administration that wants to impose sanctions to obtain their cooperation. An administration that makes no effort to coordinate controls risks a conflict with American firms that object to sacrificing trade opportunities freely available to other Western corporations.

The challenge for the United States, then, is to resist the temptation to pursue tactical linkage and economic warfare, and to focus its sanctions exclusively on the maintenance of a strategic embargo. Since the former two are in any case unlikely to have a major impact on Soviet military capabilities, this course does not pose significant national security risks for the United States. Nevertheless, it is questionable whether it can be carried out. American leaders have become accustomed, almost instinctively, to calibrating U.S.-Soviet trade according to changes in Soviet foreign and domestic policy. Moreover, as long as the U.S. and U.S.S.R. are engaged in a costly arms race, it will be difficult to convince the Defense Department and other hard-liners that controls can safely be relaxed on trade that contributes significantly to the economy of the U.S.S.R. For the foreseeable future, therefore, one can expect East-West trade to endure as an issue of controversy in the alliance. One can also anticipate further challenges to the stability and cohesion of CoCom and to the effectiveness of the one strategy likely to bring national security benefits—a selective strategic embargo.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

REQUIEM OR NEW AGENDA FOR THIRD WORLD STUDIES?

By TONY SMITH

THANKS to the vigor of the dependency school's attack on the established "developmentalist" framework for studying change in the Third World, debates going on today in development studies are perhaps the most interesting and important in the field of comparative politics. The debates are interesting because, both methodologically and substantively, a wide range of new issues has been raised in a field that by around 1970 had become relatively moribund. They are important because, in the Third World especially, the mainstream developmentalist models earlier formulated in the United States—such as those sponsored by the Social Science Research Council (SSRC)—have been angrily discarded by many in favor of politically explosive explanations of underdevelopment that lay the manifold problems of these areas squarely at the feet of Western imperialism (and, in the case of the Latin Americanists heading this school, at the doorstep of Washington in particular). Thus, there are acutely perceived moral and political dimensions to this clash of paradigms for the study of Third World development, beyond the intellectual, or academic, interest that such controversy is sure to excite.

No matter how interesting and important these debates, it should be apparent that the field of Third World studies is in a state of crisis. For if the old-time religion preached by the American academic establishment has been found wanting in many respects, the new fundamentalism represented by the dependency school offers scant reassurance that a compelling new intellectual vision, with a broadly accepted set of assumptions as to what questions should be asked and how they might be answered, will soon become widely accepted. To be sure, many of the Old Guard, as well as the Young Turks writing from the dependency perspective, will deny that a crisis exists; and the continued pursuit of traditional concerns in Third World studies—ranging from the analysis of alternative paths of economic development to that of different forms of political legitimacy—may provide the appearance that they are correct, that a healthy field of development studies continues to flourish whatever (and perhaps because of) the rivalries between the dependency and developmentalist paradigms. But for those outside these charmed circles, it seems evident that the emperor wears no clothes; that no matter how

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

vital the debate over particular topics may indeed remain, a broad, relatively unified field of comparative study focused on the Third World no longer exists in satisfactory form. The question, then, is whether the current crisis will open the door for a fresh synthesis of work in the area, a new agenda in comparative studies, or whether instead we had better write a requiem for the effort to see the Third World in terms of any meaningful whole, having by now become rightly suspicious of the intellectual baggage accumulated by 30 years or more of "grand theory."

The first three sections of this essay lay out in schematic form the character of the current crisis; the fourth discusses what form a new agenda for the field might take.

I. The Developmentalist Model

The field of development studies, which has always been dominated by American academics, was founded in the first years after World War II, when the United States assumed leadership of a ravaged world in which the problems of containing the Soviet Union and dealing with national liberation movements throughout much of Asia and Africa were the country's top foreign policy priorities. From the beginning, the divisions among the academic disciplines and the avowedly eclectic concerns of many working in the field made it difficult to label developmentalism a "school." Area specialization constituted one line of differentiation among these scholars, but formal training in economics and political science—as well as in anthropology, sociology, psychology, and history—tended to create other distinctions in interest and method as well. And yet, a field of study certainly existed. Formal mechanisms such as the SSRC pulled these analysts together as a group, but more informal ties also held them together: their familiarity with each other's work through their association at the country's leading universities, and their conscious effort in a larger sense to see their work as complementary, each cultivating a different vineyard for the sake of a common harvest. Thus, while economists laid out models of how productivity in the late-industrializing world might be stimulated, sociologists and social psychologists studied the group dynamics of change, and political scientists devoted themselves to the problems of state and nation-building. Whatever the rough edges, the result was indeed a unified and cumulative agenda for Third World studies, a "whole" of intellectual discourse both theoretically and empirically.

The life span of the school might be variously dated, but there seems

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to be some agreement that it began after 1945, that it had what might be called its "Golden Decade" for economists in the 1950s and for political scientists from the late 1950s until the late 1960s, and that it ran out of steam in the early 1970s. Writing in 1975, Samuel Huntington and Jorge Dominguez, two political scientists, professed to find nothing particularly surprising about the fact that "in the early 1970's the initial surge, which had emerged about 1960, in the study of political development had about run its course." It was the fate of any theoretical paradigm, they maintained, to go through a set stage of phases (note the usage even here of a developmentalist style of reasoning) where an "initial surge" was typically followed by a "pause," "redirection," and a "new surge."[1] In 1983, Gabriel Almond, one of the fathers of political developmentalism, attributed the school's stagnation more to the motivation of those working in it: "Over time as the new and developing nations encountered difficulties and turned largely to authoritarian and military regimes, the optimism and hopefulness faded, and along with it interest, productivity, and creativity abated."[2] The developmentalist economist Albert Hirschman voiced a similar lament in 1980: "As an observer and long-time participant I cannot help feeling that the old liveliness is no longer there, that new ideas are ever harder to come by and that the field is not adequately reproducing itself."[3] Hirschman's explanation of the school's failure was more self-critical than those of his colleagues in political science (reflecting perhaps a professional difference: economists frequently pride themselves on being mavericks, while political scientists are more likely to think of themselves as team players). Trying to explain the end of the earlier "easy self-confidence" and the rise of "self-doubt," Hirschman looked not only at the disappointments that developmentalists faced in dealing with the increasingly intractable problems of the South, but also at the weakness of the theoretical models they had used in their efforts to explain and influence events:

> The story of development economics ... tells of progress on condition that intellectual progress is defined as the gradual loss of certainty, as the slow mapping out of the extent of our ignorance, which was previously hidden by an initial certainty parading as paradigm.[4]

[1] Samuel P. Huntington and Jorge I. Dominguez, "Political Development," in Fred I. Greenstein and Nelson W. Polsby, eds., *Handbook of Political Science*, Vol. 3: *Macropolitical Theory* (Reading, MA: Addison-Wesley, 1975), 90.

[2] Gabriel Almond, "Comparative Politics and Political Development: A Historical Perspective," Joint Seminar on Political Development, Harvard - Massachusetts Institute of Technology, October 26, 1983, p. 7.

[3] Hirschman, *Essays in Trespassing: Economics to Politics and Beyond* (New York: Cambridge University Press, 1981), 1.

[4] *Ibid.*, 59.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Yet the early objectives of the developmentalist school were sensible enough, even if ambitious. They sought first to specify general categories which, despite their universality, would allow analysts to distinguish essential elements of the chief social processes that interested them; or, alternatively, to differentiate various types of social organization and stages, or sequences, in their development. These general categories were to be heuristic tools, "metatheoretical" classificatory schemes, promoted most successfully by Talcott Parsons along the lines of Max Weber's ideal types. Such models or paradigms of social action were labeled "structural-functionalism" in sociology and political science, and were intended to be both basic and comprehensive enough to provide the vocabulary and concepts allowing any society to be described in comparative terms. Thus the individuality and the specificity of the various forms of social life in Africa, Asia, and Latin America would be respected, while these lands would at the same time be recognizable comparatively (in terms of the advanced industrial countries as well as of each other).

Hirschman may have been correct when he maintained that "the compulsion to theorize . . . is often so strong as to induce mindlessness."[5] But the effort in question must be understood to lie at the heart of the social sciences, concerned as they are to establish general verifiable explanations of human action. Led particularly by sociologists like Parsons, and working on the basis of earlier men of genius such as Durkheim, Toennies, and especially Weber, the developmentalist school was deliberately doing what whas expected of it. And, as we shall see presently, the Marxists in their efforts to offer a better analysis of the Third World than that of the developmentalists were engaged in a strikingly similar heuristic undertaking.

Although the descendants of Weber and Marx were alike in their concern with establishing a general framework for comparative historical analysis, the similarity ended there. For, whereas the Marxists held to a single analytical category in their belief that the force of the class struggle swept all else before it, the followers of Weber were more avowedly eclectic in the variety of theoretical tools they brought to an understanding of the Third World. General heuristic categories provided a common vocabulary, a common set of problems, and the promise of readily exchangeable information, so that an integrated, cumulative understanding of the Third World could proceed; developmentalism intended to apply insights or theories developed independently by the

[5] Hirschman, "The Search for Paradigms as a Hindrance to Understanding," *World Politics* 22 (April 1970), 329.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

various social sciences to explain the logic of social action in the South. The general categories did not, then, claim the status of scientific theories, but acted instead as intellectual guidelines that assured some connectedness to the host of empirically verifiable theories that were anticipated. The result was a proliferation of books written by teams of specialists, often from different backgrounds or dealing with very distinct issues, whose unity presupposed or confidently anticipated commonly shared models—for instance, Talcott Parsons and Edward Shils, eds., *Toward a General Theory of Action* (1951); Clifford Geertz, ed., *Old Societies and New States* (1963); Max F. Millikan and Donald L.M. Blackmer, eds., *The Emerging Nations* (1961).

In retrospect, it is difficult not to empathize with the excitement of those years. Scholars anticipated not simply a better understanding of the Third World, but the growing unification of the social sciences around their increasingly common understanding of a set of particular issues. The various "cultures" of sociology, anthropology, economics, history, political science, and psychology might keep their separate identities, but their interdisciplinary pursuits would allow them to draw strength from one another, to pull them away from their narrow (often parochial) concerns, to the level of the wholeness of social life. One might even say that a bit of American pluralism was involved here, for no single discipline (much less theorist) was expected to have the answer to the entire puzzle (although some surely came to think they did); instead, the truth would emerge as the result of the collaborative efforts of quite dissimilar kinds of work. The outcome would be a unified social science able not only to criticize but finally to replace Marxism.

The obvious question we must ask of this approach today is whether the products of its labors were at the level of its ambitions. Without denying the importance of some of the work, the answer must surely be negative—even in the minds of those most active in the field. Today, it is rare indeed to see any of these books cited other than critically; library shelves are invariably fully stocked with the numerous (unused) copies of each volume that were once the standard fare of graduate students the country over.

In my opinion, there are two principal reasons developmentalism failed in its efforts, reasons that at first glance might appear contradictory. One problem was that the models in many cases were so formal and abstract that they proved too stifling, too tyrannical, and ultimately too sterile for the empirical work they sought to organize. The other problem was that the models were too loose, too incoherent, and too incomplete to act as adequate guidelines assuring the interconnectedness of research. Let us look at each of these shortcomings in turn.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The most frequently heard, and the bitterest, charge against the developmentalist paradigm is that it was "unilinear" or "ethnocentric" in its concept of change; that is, it projected a relatively inflexible path or continuum of development in which social and political forms would tend to converge, so that the developmental path of the West might well serve as a model from which to shed light on transformations occurring in the South. As a result, developmentalism might be accused of being too "formalistic" in the sense that it sought to reduce the histories of the various countries of Asia, Africa, and Latin America to the terms of models or ideal types and jargon that distorted the true logic of social change in these areas. Thus, although Gabriel Almond adamantly denies that the charge that developmentalist literature was unilinear can "survive even a casual reading" of its authors, his own evocation of this school of thought at its inception indicates otherwise:

> The "new," the "emerging," the "underdeveloped" or "developing" nations, as they were variously called, challenged the classificatory talents and theoretical imaginations of Western social scientists. They brought to this effort to illuminate the prospects of the Third World the ideas and concepts of the enlightenment and 19th century social theory which at an earlier time had sought to make sense out of European and American modernization. What had happened in Europe and North America in the 19th and early 20th centuries was now, more or less, about to happen in Latin America, Asia, and Africa. The progress promised by the enlightenment—the spread of knowledge, the development of technology, the attainment of higher standards of material welfare, the emergence of lawful, humane, and liberal polities, and the perfection of the human spirit—now beckoned the Third World newly freed from colonialism and exploitation, and straining against its own parochialisms.[6]

In cases where the West was not self-consciously posited as a model of the future the South might come to enjoy, the heuristic models of "modern" and "traditional" societies performed much the same function. Here the work of Talcott Parsons proved to be particularly influential—especially his so-called pattern variables, with their assumption that cultural values are of a whole with economic, social, and political systems in such a fashion that social organization should be conceptualized as a self-reinforcing unity. This kind of thinking resulted in the unfortunate tendency throughout much of developmentalism, first, to exaggerate the congruence of elements within a given social organization (a preference for static equilibrium models which often classified contradiction and change as "dysfunctional"), and second, to separate "traditional" from "modern" societies as if such a dichotomy made not only heuristic but empirical sense.

[6] Almond (fn. 2), 2.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The models that emerged were too confining to be of much use in actual empirical investigation. When the past of the West or the model of traditional society was projected onto the Third World, too much disappeared from sight. The formalism of these paradigms often turned out to be as reductionist as Marxism—a turn of events developmentalism had hoped to escape by virtue of its avowed disciplinary eclecticism. There is, then, some justice to the charge leveled by many radical as well as by some conservative writers who felt that the reality of the Third World was simply not being grasped. Reinhard Bendix, for example, formulated some of these charges quite early; Howard Wiarda has stated more recently:

> The critique of the Western model as particularistic, parochial, Eurocentric, considerably less than universal and hopelessly biased, as not only perpetuating our lack of understanding regarding these areas but also of wreaking downright harm upon them, seems to this observer devastating, valid, and perhaps unchallengeable.[7]

Yet if formalism of the sort described above was a real problem with developmentalism—as the work of Daniel Lerner, Cyril E. Black, and W. W. Rostow suggests[8]—it was not a completely endemic disease. I think there would be wide agreement, for example, that the two most influential books by political scientists on development were Gabriel Almond and James Coleman's *Comparative Politics of Developing Countries* (1960) and Samuel Huntington's *Political Order in Changing Societies* (1968). True, in his introductory essay, Almond favorably mentions Parsons' pattern variables, but he also disputes the notion that there are such things as "all modern" or "all primitive" societies; he favors seeing political systems as more complexly "mixed." Moreover, the volume was written by a group of area experts whose primary accomplishment was their ability to match a rich sensibility toward local Third World issues

[7] Wiarda, "Toward a Non-Ethnocentric Theory of Development: Alternative Conceptions from the Third World," paper presented at the meeting of the American Political Science Association, September 1981, p. 25. For a more accessible version of this position, see Wiarda, "The Ethnocentrism of the Social Sciences: Implications for Research and Policy," *The Review of Politics* 42 (April 1981). For an earlier statement of this view by a Weberian, see Reinhard Bendix, *Embattled Reason: Essays on Social Knowledge* (New York: Oxford University Press, 1970), esp. 268 ff., and *Nation Building and Citizenship: Studies of Our Changing Social Order* (Berkeley: University of California Press, 1964), chap. 8.

[8] For example, in the 1964 Preface to *The Passing of Traditional Society: Modernizing the Middle East* (Glencoe, IL: The Free Press, 1958), Lerner writes: "The 'Western model' is only historically Western; sociologically it is global ... the same basic model reappears in virtually all modernizing societies of all continents of the world, regardless of variations of race, color or creed" (pp. viii-ix). Two other well-known examples from an abundant literature are Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (New York: Cambridge University Press, 1960); and Black, *The Dynamics of Modernization: A Study in Comparative History* (New York: Harper & Row, 1966).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with more general, theoretical questions of change and development. Although the classificatory schemes proposed to each of these area specialists appear to do little more than to give them a common vocabulary with which to work—no empirically verifiable "science" of political development is forthcoming—it would be quite unfair to accuse these contributors of ethnocentrism or formalism. For its part, Huntington's book rests on such an explicitly damning criticism of a unilinear approach to the study of history that on this account alone it deserves to be seen as one of the classics of political science during the period. In economics, there is equal agreement that Alexander Gerschenkron's *Economic Backwardness in Historical Perspective* (1962) is a classic statement on the development process similarly free of formalistic bias. In short, some excellent comparative historical work has been free of the problems of formalism. Moreover, it is important to insist that formalism as a reductionist mode in the social sciences must not be confused with the effort to establish general theoretical frameworks for the understanding of change in the fashion of Weber or Keynes. This latter enterprise is the hallmark and the promise of the social sciences; it must not be repudiated simply because some of its practitioners have given it a bad name.

Indeed, rather than lambasting developmentalism for models that were too rigid and writers who were overly concerned with methodology, we might complain that it did not generate stronger general categories to integrate research and that it did not concern itself adequately with producing a set of robust "middle-range" theories of development, or general analytical propositions established empirically, that could serve to organize the field. At the time, prominent developmentalist writers certainly seemed to sense the problem. Thus James Coleman admitted in 1960 that, "Given the array of disparate systems ... it is only at the highest level of generalization that one can make statements about their common properties."[9] In 1963, Harry Eckstein offered a much more biting commentary. While he welcomed the return to fundamental questions of comparative study as a healthy event, he nonetheless complained of the "bewildering variety of classificatory schemes" his colleagues had produced, whose "disconcerting wealth" was "almost embarrassing": "The field today is characterized by nothing so much as variety, eclecticism, and disagreement ... particularly great in regard to absolutely basic preconceptions and orientations."[10]

[9] Gabriel A. Almond and James S. Coleman, eds., *The Politics of the Developing Areas* (Princeton: Princeton University Press, 1960), 535.

[10] Eckstein, "A Perspective on Comparative Politics, Past and Present," in Harry Eckstein and David Apter, eds., *Comparative Politics: A Reader* (Glencoe, IL: The Free Press, 1963).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Why was the modeling not better? The quickest answer is that no theorist emerged of the status of Weber or Durkheim, a person of genius who could pull the entire field together into a coherent whole. Brave attempts may be cited—the work of David Apter, for example—but they proved unable to impose themselves intellectually on the community of developmentalists. Instead, there was a kind of happy anarchy, where writers seem to have labored to invent jargon and classificatory schemes in the manner of a Freud or a Durkheim—as much to ensure their professional standing as to advance the discipline. And here the highest accolades would be reserved for the theorist who could establish a "general theory of action," to recall the title of a book Talcott Parsons and Edward Shils edited in 1951. Or, as Shils put it in 1965:

> There is at present no systematic, dynamic general theory of society of universal comprehensiveness; nor is there, as yet, any analytical or empirical comparative theory of society. . . . We exist at present in a middle ground in which the general theory has begun to reveal its main lines and in which empirical comparative analysis, influenced by this theory—and influencing it—has begun to show how it is going to develop.[11]

It would be an error to explain the limitations of developmentalism by placing too much emphasis on the skills of the individuals involved. The striking shortcoming of the school was its inability to articulate a unified model of comparative political economy, just as it lacked any broad-based comparative historical perspective into which the problems of mid-20th-century development could be placed. It must be emphasized that the obstacle was not individual mediocrity, but institutional and ideological impediments best studied in terms of a sociology of knowledge. Two sets of factors emerge as important in this respect: the structure of the social science disciplines in American universities, and the place of the academics concerned with it in American political life.

Whatever the attraction, rhetorically, of interdisciplinary studies in the United States, the various fields of the social sciences jealously insisted on their autonomy, on an identity based on a body of theoretical propositions over whose integrity they stood guard. In this context, development studies represented virgin territory, not only for the unification of the social sciences, but more immediately for the carving out of new, discrete domains of analysis. Thus, Gabriel Almond proudly declared in the introduction to *The Politics of the Developing Areas*, "This book is the first effort to compare the political systems of the 'developing'

[11] Shils, "On the Comparative Study of New States," in Clifford Geertz, ed., *Old Societies and New States: The Quest for Modernity in Asia and Africa* (Glencoe, IL: The Free Press, 1963), 18.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

areas, and to compare them systematically according to a common set of categories. . . ." He considered it to be "a major step forward in the nature of political science as science."[12] From the viewpoint of political science, economics in particular represented a threat, for it had an apparent sophistication as a science that many political scientists longed to duplicate. For this reason, for example, the Harvard-M.I.T. Joint Seminar on Political Development, founded in 1963, has always deliberately excluded economists from its membership. The ambition, then, of political scientists was to elaborate the logic of political processes in a manner that would establish their analytical independence and their social importance. At the same time, they would strike a blow against Marxism, which had constantly sought to reduce political factors to reflections of more decisive socioeconomic processes. One can exaggerate the extent or the impenetrability of these barriers between academic disciplines; these scholars knew each other's work and felt themselves to be engaged in a collaborative enterprise. And one can fail to do justice to the cogent reasons that underlay the decision to draw these distinctions in the first place; a genuine flowering of an understanding of political processes may be said to have occurred in part *because* of this divorce. In any case, many of the crucial issues of Third World development continued to be ignored simply because they fell outside the purview of the subject as it was perceived from its many different angles.

To derive at a different sociological explanation for the lack of adequate modeling, one may look at the place of the American academics involved in Third World studies in terms of American political life. For example, Irene Grendzier has recently suggested that many of these scholars intended their writing to be policy-relevant, and that their interests included fostering the spread of capitalism and an elitist brand of democracy in the South while blocking the expansion of communism. These concerns limited the agenda and biased the arguments of many developmentalists in a way unappreciated at the time.[13]

I see no reason to quarrel with this argument so long as it is not presented (as it is by Grendzier) as the sole explanation of the logic of developmentalism. It is not persuasive even as a primary explanation. Too many Americans who were the products of this school emerged as harsh critics of American imperialism; one has only to recall Henry Kissinger's repeated complaints about all the regional specialists who

[12] Almond and Coleman (fn. 9), 3, 4.

[13] Grendzier, *Managing Political Change: Social Scientists and the Third World* (Boulder, CO: Westview Press, 1985). For a powerful early attack along these lines, see Noam Chomsky, *American Power and the New Mandarins* (New York: Pantheon Books, 1969).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

knew nothing of the requirements of "geopolitical equilibrium" to realize that the school cannot be understood this easily.

In view of the ideological and institutional concerns of those working in developmentalism, it is difficult to see how, as a group, they might have sponsored the kind of work in comparative history or political economy that at one and the same time would have ensured more broad-range model building at the level of heuristic typologies and more robust constructions of theories at the level of aggregate empirical analysis. Take, for example, the volume that most North American specialists (including this writer) would agree to be the finest work in developmentalism by a political scientist—Samuel Huntington's *Political Order in Changing Societies* (1968). The book has little economic perspective. True, "participation" is on the upswing; "mobilization" is taking place. Yet the forces of the industrial revolution, even those of agricultural development, go virtually unmentioned. Sections of the book may deal with the urgency of land reform, but there is not a clue as to why this problem has arisen now and not a century earlier; any number of key questions ranging from productive effectiveness to distributive justice are deliberately avoided. Though class conflict is implied at times, the topic is never systematically addressed. Nor does the impact of foreign actors on events in the Third World get much of a hearing. Indeed, the hypothesis that military interventions in the politics of these areas are linked to foreign penetration and encouragement is specifically discounted (chap. 4). Certainly the book's sense of political institution building is masterful in scope and nuance, assuring it the status of a classic in modern political literature. Yet the fact that the intricacies of this process occur in a world of class struggle and imperialism finds no recognition here. Countries have self-contained histories, and political problems have political explanations. Period. Albert Hirschman reports that a similar narrowness of focus typified most of the developmentalist work done by economists.[14]

Developmentalist paradigms were, then, loose and incomplete at a heuristic level on the one hand, and deficient in genuinely interdisciplinary empirical propositions at the level of comparative theory on the other. Since there was no intellectual center of gravity holding together all the disparate undertakings that characterized the field, specialization proliferated, spin-off leading to spin-off, with some perhaps holding Shils's happy illusion that eventually it would all add up to a unified movement. Instead, however, the focus shifted increasingly to more

[14] Hirschman (fn. 3), 24.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

modest and manageable models targeted on particular issues or areas. In many of these instances, a deeper understanding of the process of change did occur. But as the field became more complex, questions of its unity became more difficult; memories of the common origin of it all, in the Big Bang of trying to establish order amid the chaos of the postwar world, grew increasingly dim. An essential reason for the stagnation of the field around 1970, therefore, was what was coming to be seen as its chaotic diversity. If developmentalism's *formalism* (the reductionist tyranny of its models) was a real problem, it was relatively minor. The major cause of its debilitation lay in its *fragmentation* (the weakness of its models).

This fragmentation emerged as an acute problem when it became evident to many that developmentalism was impotent in the face of many of the terrible trials through which the Third World was passing. The growth of poverty and the attendant human misery; the spread of repressive, authoritarian regimes; the waste and suffering caused by wars both civil and regional—all combined to disillusion those working in the field, especially as the realization began to grow that in fact there was no theoretical, commanding height from which to make sense of these awful realities. The fragmentation made it difficult to get more than a partial understanding of the range of forces at work in the South.

The disillusion grew more acute in the mid- and late-1960s with the growing realization that American foreign policy had a tremendous influence on the course of events in the Third World; this influence had seldom been explicitly addressed by developmentalism and now could not be dealt with satisfactorily. To be sure, many developmentalists opposed American imperialism in Latin America and in Southeast Asia; but that is not the point. It is rather that developmentalism no longer had anything particularly interesting to say about the conduct of American policy one way or another. Thus, it is far from accidental that this school of thought entered into crisis just as American policy with respect to the Alliance for Progress and the Vietnam War proved so wanting. Although there were those like W. W. Rostow or Samuel Huntington who never felt this to be a problem, and who indeed explicitly intended to make their work an instrument of American foreign policy, a more general feeling was one of impotence—or betrayal. For here, at a critical juncture in the international life of the United States, the school of study most intimately concerned with the character of the Third World had fallen silent. It was, most felt, the bankruptcy of the field. The fact that the point is seldom candidly admitted today shows that the wound is still festering.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

With "emotion recollected in tranquility," one can certainly see that such an observation should not lead to an across-the-board condemnation of developmentalism's achievements. As we shall see in section IV, it is possible to recognize the professional sophistication that characterized much of the field and to learn from its insights. Yet one should not expect that the field will recover, either from its conceptual fragmentation or from its loss of innocence. The vigor it experiences at present is much like that of Medieval Europe—a vitality that was scattered, slow in germination, but real—after the fall of the Roman Empire: by analogy, after the heyday of grand theory, as it existed in the 1950s and 1960s, has become a thing of the past.

II. The Dependency Perspective[15]

For many, the void left by the demise of developmentalism as a unified theory of change in the Third World was filled in the 1970s with the analytical categories provided by the dependency perspective. The term "dependency" grows out of writing on Latin America; related works dealing with Asia and Africa have until recently been more comfortable using the term "neocolonialism" to describe the world that concerns them. Whatever the preferred nomenclature, these *dependencistas*, if we may use their Latin American name, share the view that the power of international capitalism setting up a global division of labor has been the chief force responsible for shaping the history of the South. Originally as mercantilism, then as free trade, later as finance capital, and most recently under the auspices of the multinational corporation, capitalism over the last five centuries has created a world economic system. The profound changes this process has generated in every part of the world offer, then, a common historical experience that is the basis of a *unified comparative* model of social life in the Third World. Dependency literature is therefore properly viewed as a subset of the so-called "world system" approach, whose terms have become increasingly prominent in the United States in the field of international relations. To be sure, as in any broad-based intellectual movement, debates within the dependency school are many and sharp. The clear dominance of Marxism within the literature has not prevented fierce differences over such far-ranging matters as how to establish the identity of classes in widely disparate settings; what degree of autonomy to accord the state as a political

[15] The discussion here draws on my contribution on dependency thinking in Howard Wiarda, ed., *New Directions in Comparative Politics* (Boulder, CO: Westview Press, forthcoming 1985).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

institution charged with providing coherence in circumstances typified by rapid domestic change and extensive foreign penetration; and how to argue for typologies of stages or degrees of dependency. However acute these differences, they are overshadowed by the common allegiance of the writers in this school to an approach whose roots run back to the 1920s, even if it was not until the 1970s that the dependency perspective made itself felt in force within American academia. And the fundamental premise of this approach—the uncontested proposition on the basis of which all this writing has been constructed—is that, to understand the chief forces of change in the Third World (or "on the periphery"), one must see them ultimately as a function of the power of economic imperialism generated by the capitalist "core" of world affairs.[16]

Indeed, it is the emphasis on imperialism that constitutes a recognition on the part of many *dependencistas* themselves that their approach cannot claim the status of a theory. For dependency literature studies the *effects* of imperialism, not the *nature* of imperialism itself. Its focus is therefore on a part and not on the whole—the latter providing the "totality" of experience on which sound theory can be based. Traditional matters, such as the character of capitalist accumulation with its "anarchy of production" combined with such modern forces as the logic of multinational corporate competition, must ultimately escape the purview of the dependency approach (only to fall into the domain of the related world system analysis); the primary agent of change in the South thus escapes direct study. As explained by Fernando Henrique Cardoso and Enzo Faletto in a book that has found a wide audience throughout the Americas, "it seems senseless to search for 'laws of movement' specific to situations that *are dependent*, that is, that have their main features determined by the phases and trends of expansion of capitalism on a world scale."[17] Relying on a theory of imperialism proposed by their colleagues doing world system analysis, dependency writers content themselves with explaining the logic of capitalist expansion on the periphery. The result is a powerful, unified theory of imperialism: the

[16] For the debates within the dependency camp, see, among others, Fernando Henrique Cardoso, "The Consumption of Dependency Theory in the United States," *Latin American Research Review* 12 (No. 3, 1977); Richard R. Fagen, "Studying Latin American Politics: Some Implications of a *Dependencia* Approach," *Latin American Research Review* 12 (No. 3, 1977); and Ronald H. Chilcote, ed., *Dependency and Marxism: Toward a Resolution of the Debate* (Boulder, CO: Westview Press, 1981). The most influential writer on world system analysis in the United States is Immanuel Wallerstein; see his *The Modern World System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century* (New York: Academic Press, 1974), and *The Modern World System II: Mercantilism and the Consolidation of the European World-Economy, 1600-1750* (New York: Academic Press, 1980).

[17] Cardoso and Faletto, *Dependency and Development in Latin America* (Berkeley: University of California Press, 1979), xxiii.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

world system analysts establish the logic of the "whole" or core of historical change while the dependency scholars lay out the working of these forces on the periphery.

In this undertaking, their most important conceptual tool is the analysis of the dual economy. The notion of the dual economy itself did not originate with these writers, but in their hands it has acquired a character particular to their analysis.[18] In brief, the argument is that—as capitalist penetration has occurred successively in Latin America, Asia, and Africa under the impetus of northern imperialism—one part of the local economies of these regions has come to be a modern enclave. By virtue of these historical origins, the basis of the modern sector is export trade (even if subsidiary manufacturing or service interests grow up to sustain it). Here capital accumulates, skills are learned, and class interests are formed whose innermost needs tie them tightly to foreign concerns. The culture of the modern enclave may be of the periphery; but its economic and political character make it a child of the international system. Root and branch, it is dependent.

Alongside this modern economy, there exists a subsistence sector—whence the term *dual* economy. To some extent, the technology, culture, and social institutions of the subsistence sector are inherited from the past. But this is not a simple traditional world slumbering in a millenary torpor, as writers from the developmentalist school have so often depicted it. Today as yesterday, the modern sector is constantly at work disintegrating this subordinate sector, try as the latter may to preserve its integrity. Thus, cheap manufactured goods destroy the traditional artisanry; the expansion of plantation agriculture displaces large numbers of peasants, forcing them onto poorer land; and elites in the subsistence area invest such capital as they possess in the modern enclave, thereby intensifying the lack of investment funds for projects that might directly benefit the poor. Through the linkages between the two sectors, the modern acts like a leech on the body of the subsistence economy—ever increasing the difficulty of life there, while by its very exploitation it consolidates its own power. In short, the terrible misery of so much of the Third World derives not from a locally generated, traditional resistance to modernity—for example, the lack of appropriate skills, attitudes, or resource endowments of the poor, where developmentalist

[18] For an indication of the history of the concept, see Benjamin Higgins, *Economic Development: Principles, Problems, and Policies*, rev. ed. (New York: W. W. Norton, 1968), chaps. 12 and 14. For a comprehensive application of the notion of the dual economy in dependency terms, see William W. Murdoch, *The Poverty of Nations: The Political Economy of Hunger and Population* (Baltimore: The Johns Hopkins University Press, 1980), chaps. 8 and 9.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economics had us look—but from the operating forces of modernity itself, as it has historically implanted itself on the periphery. The misery of the many and the affluence of the few have their common origin in an international division of labor spawned and maintained by the forces of capitalist imperialism.

As the foregoing account implies, economic forces do not live in a social vacuum, but express themselves in class formations on the periphery. Here the key development is the modern sector, where class interests form in symbiosis with the interests of international capitalism. A class alignment thus takes shape in the South wherein the power of the dominant groups derives from their role as intermediaries between the international order run by imperialism and the local peoples over whom they must secure their rule. Although this collaborating class may have local concerns, its reliance on the world economic system ultimately decides its conduct. At different times or in different countries the character of these elites may vary, but their common identity lies in their dependence on the rhythms of the international economic order to ensure their survival as a class. There is an international political dimension to this as well. These local bourgeoisies have struck the main political bargains that concern their well-being not with domestic forces, but with foreign capitalists. The result is that the collaborating class is not only particularly exploitive in historical terms, but it is particularly weak at home as well. For these reasons, it is subject to being overthrown by local revolutions when those in the subsistence sector try to save themselves through force of arms. It is at this point, of course, that the United States intervenes today by suppressing such uprising in the name of anticommunism, when its real interest is to preserve a certain established form of economic organization locally as well as globally. Just as poverty in the Third World must ultimately be understood in terms of the international division of labor, so authoritarian governments there must in the final analysis be seen as products of foreign imperialism.

From the preceding discussion it should be apparent that the dependency school's primary intellectual debt is to Marxism (which is not to say that all Marxists subscribe to this view). First, the division of labor is seen as the prime social reality, the engine of change that drives all else before it. The originality of dependency writing lies in its tying the dynamic of economic life on the periphery into that of the world system beyond; to see it as *dependent*, that is. The dependency approach thus works on an ambitiously large canvas, linking the pace of life on the periphery to movements at the core. Second, political activity is understood to take place through social groups or classes antagonistically

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

related to one another around ownership of the means of production. In this respect, the originality of dependency writing lies in its capacity to seize on the function of the collaborating class and to plot the changes in its conflicts and alliances over time, including those that link it to political forces abroad. Finally, the dependency approach shares with Marxism a bias against certain other considerations: that ethnic rivalries may have a life quite their own (hence, for example, the denigration of the term "tribe" in relation to groups in Africa); that the state may play a relatively autonomous and enormously significant role in the process of great historical transformations; and that, in foreign affairs of powerful states, balance-of-power considerations are a primary calculation of leaders at critical historical junctures. To be sure, there are individuals who are not Marxists who have contributed to this school: John Gallagher and Ronald Robinson with their idea of the "informal empire" of "free trade imperialism"; Gunnar Myrdal with his descriptions of how dual economies create "backwash effects" that systematically disadvantage the traditional sector; Raúl Prebisch with his work concerning the way in which unequal exchange in international trade acts to handicap the South.[19] Such ideas are not held eclectically by the dependency school, however. They have been adopted because they strengthen the tools of analysis of an approach that enjoys a fundamental unity of orientation through a reliance on Marxist analysis.

The foregoing sketch of the dual economy was too brief to suggest certain crucial refinements that have added enormously to the sophistication of the dependency approach during the last decade. Three relatively new conceptual qualifications are of particular importance. The first is the argument that the dual economy is not actually as rigid as was once believed. Spurred on especially by the work of Cardoso, many dependency writers have come to see the abundant evidence that a genuine industrial base is being laid in parts of the South, and that economies there are becoming far more diversified, integrated, and advanced than earlier spokesmen of this persuasion had thought possible. For, although both Marx and Lenin had anticipated that the worldwide spread of the industrial revolution would take place under capitalist auspices, the first generation of *dependencistas* talked of "growth without development" and of the way the southern countries would forever be, in their favorite cliché, the "hewers of wood and drawers of water" of

[19] Gallagher and Robinson, "The Imperialism of Free Trade," *Economic History Review*, 2d series, 6 (No. 1, 1953); Gunnar Myrdal, *Economic Theory and Underdeveloped Regions* (London: Gerald Duckworth, 1957). On Prebisch, see Joseph L. Love, "Raúl Prebisch and the Origins of the Doctrine of Unequal Exchange," *Latin American Research Review* 15 (No. 3, 1980).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the world economic system. But facts are a hard thing, and in due course, dependency analysts had to face the mounting evidence that heavy industry was growing in the Third World; that the manufacturing component of exports was steadily mounting there; and that internal, integrated markets were beginning to pulse with a life of their own. Indeed, statistics are readily at hand to show that the vigor of economic growth in large parts of the Third World is substantially greater than in the North. As Peter Evans describes it, "classic dependency" is giving way to "dependent development."[20]

A second (and related) conceptual innovation made by dependency writers during the last decade lies in their new emphasis on the crucial role of the state in this changing order of things. Whereas *dependencistas* had previously viewed Third World politics as little more than an auxiliary function of the international economic system, they have now begun to argue (and here the work of Guillermo O'Donnell is especially important) that the growing complexity of class and economic relations locally as well as internationally calls for more assertive action on the part of the state on the periphery. As the diversity and integration of these local economies grow, new groups arise that have to be controlled politically, just as some old groups must be divested of their power or find ways to reconstruct it. In a parallel manner, foreign actors have come to be more closely supervised than before. Their investments have been made a part of local plans involving the creation of backward and forward linkages, and their action has increasingly been harmonized with more fine-tuned domestic fiscal and employment measures. In a word, the growing complexity of local economies calls for new demands for a more competent state. In conceptual terms, the result is that the dependency literature now possesses a far richer political vocabulary that has substantially expanded its range of analysis.

The two preceding conceptual refinements in turn prepare the ground for a third: the recognition of the diversity of Third World countries and a growing appreciation of the significance of local factors in determining the pattern of long-term development processes. Not all countries on the periphery are industrializing, and not all have states aggressively determined to promote domestic interests. Different natural resource

[20] Evans, *Dependent Development: The Alliance of Multinational, State and Local Capital in Brazil* (Princeton: Princeton University Press, 1979). An early and especially strong statement on this matter can be found in Bill Warren, "Imperialism and Capitalist Industrialization," *New Left Review* 81 (1973). See also Fernando Henrique Cardoso, "Dependent Capitalist Development in Latin America," *New Left Review* 74 (1972), and Cardoso, "Associated-Dependent Development: Theoretical and Practical Implications," in Alfred Stepan, ed., *Authoritarian Brazil: Origins, Politics, and Future* (New Haven: Yale University Press, 1973).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

endowments, preexisting lines of class or ethnic group conflict or coalition, political culture and the structure of inherited political institutions—all of these are acquiring a new relevance in analysis. As a consequence, stages or degrees of dependency may now be discussed, whereas previously not much more could be said than that a country was or was not dependent.

As we have seen, then, the dependency perspective is not only coherent and complex, but it is capable of conceptual self-criticism and development. In the wake of the demise of developmentalism, it offers an alternative paradigm of study. The fact that it has not only survived sharp internal dispute, but that it has actually grown in conceptual acuteness as a result, is the most conclusive evidence that as a school of thought the dependency approach has come of age. It should come as no surprise, therefore, that its core argument is appearing in other intellectual activities. We find Edward Said, for example, criticizing longstanding Western cultural interpretations of the East:

> Taking the late eighteenth century as a very roughly defined starting point, Orientalism can be discussed and analyzed as the corporate institution for dealing with the Orient—dealing with it by making statements about it, authorizing views of it, describing it, by teaching it, settling it, ruling over it: in short, Orientalism as a Western style for dominating, restructuring, and having authority over the Orient.[21]

At this point, the reader may well anticipate the final trump in the dependency deck: the charge that developmentalism itself was the ideological handmaiden of imperialism and the ruling elites in the Third World. For even if the charge were only implied, it was frequently enough asserted that the very categories with which American academics analyzed the South were—as the quotation from Edward Said suggests—instruments in the subjugation of Africa, Asia, and Latin America.

Such an argument might be constructed along the following lines. In its "classic" form, economic developmentalism posited a modern sector acting as a pole of development from which the industrial revolution would eventually diffuse out to the rest of Third World society. Although the modern sector might initially be in league with the international system, it would invariably turn toward the local market—first for food and labor, later for intermediate manufacturing products, and finally as a source of demand for larger-scale manufacturing. Eventually, an integrated local economy should form, still a part of the world economy

[21] Said, *Orientalism* (New York: Random House, 1978), 3.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

producing in line with comparative advantage, but reflecting throughout the characteristics of economic modernity, including a generalized modern skill structure. Where obstacles to development occur, they should be understood as having a nonmarket origin: inadequate resource endowment; a population base that is too small or growing too rapidly; inept governments unable to oversee capital formation because of weakness or corruption, or misguided notions about the merits of state planning; inherited ethnic prejudices making the free mobility of economic factors especially difficult.[22] In this light, the job of political development becomes more comprehensible. It is to engineer solutions to these obstacles to economic diffusion through the use of force or by the building of consensus, so that institutions are ultimately created that can make the process of change self-sustaining.

From a dependency perspective, the problem with this diffusionist approach is that it fails to recognize that its alleged solutions to problems in the Third World—the intensification of market relations there—are in fact at the origin of all the difficulties. That is, political instability in the Third World comes not so much from the recalcitrance of the traditional world in the face of change as from the brutality of change inflicted on the traditional world. When peasants are dispossessed of their land and herded into urban slums; when traditional artisans find their means of livelihood destroyed; when old patterns of power that provided at least some security are removed and the nuclear family is left to determine its fate as best it may—then one may indeed expect conflict. But it is modernity, not tradition, that is at the origin of the struggle. From the dependency perspective, therefore, the authoritarian governments typical of a large portion of the Third World are perceived as a necessary concomitant of capital exploitation rather than as the inevitable response to traditional backwardness. As we have seen, the fragility of these authoritarian regimes may be understood in terms of the weakness of the local classes they represent. Since these classes are the product of international economic forces and not the consequence of indigenous development, the political pacts they have made at home are relatively flimsy. The result is a ruling class ideologically unsure of itself ("denationalized") and only shallowly rooted in local social forces. The governments that represent the interests of such classes will of necessity be particularly reliant on the use of force to ensure their rule.

[22] For a standard neoclassical economics text, see Higgins (fn. 18). For a more current restatement in particularly sharp language, see the writings of P. T. Bauer, most recently *Reality and Rhetoric: Studies in the Economics of Development* (Cambridge: Harvard University Press, 1983). For a standard dependency critique of such an approach, see Michael Todaro, *Economic Development in the Third World*, 2d ed. (New York: Longman, 1981).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In this undertaking, such Third World governments can usually count on the support of the United States. For just as the international economic system lays down the social bases of much of southern development, so the international political system will attend to shifts in the political balance of power. Where the International Monetary Fund cannot travel, we might say, there the Marines will tread. From a dependency perspective, then, the consistently counterrevolutionary cast of American foreign policy is entirely in line with what one would expect. When the power of collaborating states in the Third World proves unequal to the task of containing the enormous pressures released by capitalist economic development in these areas, Washington will aid them in repressing popular uprisings and so protect the international economic system from the challenge of socialist economic nationalism.

It should thus be understandable that, in the eyes of the *dependencistas*, developmentalists in the United States were responsible for much more than inadequate model building with respect to affairs in the Third World. This very "inadequacy" was nothing more than an ideological smokescreen behind which North American imperialism freely operated. Developmentalist economists presented models of the beneficent spread of the industrial revolution throughout the world and denounced obstacles to such progress as being caused by backwardness. Their colleagues in political science presented institution building as one of organizational techniques, and often sanctioned the establishment of military governments for periods of "transition." The separation of economics from politics was not an artificial, but rather a logical, expression of the needs of advanced capitalism. So was the developmentalists' failure to credit imperialism with the force it has had. In their work, the developmentalist intelligentsia of American universities had given the lie to all their protestations of academic freedom and value-free or progessive theorizing, revealing instead their true character as apologists for the established international division of wealth and power. The attack was now complete: the dependency school not only had established a paradigm for the study of the Third World, but it had provided an explanation of its rival, developmentalism, powerful enough to complete the latter's disintegration.

The self-confidence of the dependency perspective is now so firmly rooted that we find fairly well-known social scientists writing vulgarizations of the approach for mass audiences—books in which the central methodological premises of the school are taken as needing no further discussion. Thus, L. A. Stavrianos opens his book *Global Rift* declaring:

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> The Third World emerged in early modern times as the result of a fateful social mutation in northwestern Europe. This was the rise of a dynamic capitalist society that expanded overseas in successive stages, gaining control over widening segments of the globe, until by the nineteenth century it had established a world-wide hegemony. . . . What were the roots of this European expansionism? . . . This central question in Third World history [comes from] analyzing the dynamics of European expansionism.[23]

In the same vein, Eric Wolf begins his study *Europe and the People without History* by stating:

> The central assertion of this book is that the world of humankind constitutes a manifold, a totality of interconnected processes, and inquiries that disassemble this totality into bits and then fail to reassemble it falsify reality. Concepts like "nation," "society," and "culture" name bits and threaten to turn names into things. Only by understanding these names as bundles of relationships, and by placing them back into the field from which they were abstracted, can we hope to avoid misleading inferences and increase our share of understanding. . . .[24]

The coherence, complexity, flexibility, and self-confidence of the dependency approach should be clear. When we add the important consideration that it can serve as a powerful political force uniting Marxism ideologically with Third World nationalism—as is clear in the case of Liberation Theology in Latin America—we must recognize that dependency thinking has established itself as an intellectual force with which we must reckon. Quite unlike developmentalism—which lives on in the wide variety of studies it spawned earlier, but which today lacks a center of gravity in a well-anchored, broad-based theory of change—the dependency school is in its prime.

III. Challenging the Dependency Approach

It is no easy matter to determine from where critical assaults on dependency thinking should come. Because of the fragmentation of the field described in section I, developmentalism by the 1970s lacked the conceptual unity and vigor to mount an attack. Without a broad historical perspective and an integrated study of political economy, what serious hope was there that this school could rally, particularly after a fuller verdict on the Alliance for Progress and the engagement in Viet-

[23] L. A. Stavrianos, *Global Rift: The Third World Comes of Age* (New York: William Morrow, 1981).

[24] Eric Wolf, *Europe and the People without History* (Berkeley: University of California Press, 1982).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nam had become available? No wonder, then, that no one closely related with developmentalism has demonstrated an ability to do more than thumb his nose ineffectively at the *dependencistas*.

One possibility is that, like developmentalism, the dependency perspective will over time breed its own undoing. As this approach becomes increasingly sophisticated in its insights and broad in its applications, there is the chance of divergent or rival lines of analysis, or of an adulteration of the basic unity of view that characterized its literature throughout the 1970s. Consider the possible fate of the three recent refinements in the dependency approach discussed in the preceding section: the importance of local factors in determining the course of change in the South; the critical role of the state in development there; and the genuine gains in economic strength that have become apparent there over the last two decades. Could these factors be persuasively combined to suggest that a situation of dependency no longer exists (if indeed it ever did)? Looked at more closely, are these refinements not simply restatements of a version of the diffusion/political modernization models reviewed earlier as the hallmarks of developmentalism? If genuine growth *is* taking place, if the shape and pace of this change *do* reflect in good measure local economic and social circumstances, and if the state *is* especially responsible for how these events transpire, then one quite plausible inference would be that the ability of imperialism to make these areas "dependent" is declining, and that therefore the cardinal reference point of the dependency approach is fast losing its utility as a lodestar. Ironically, then, *dependencia* as a perspective may be spreading just as the situation that gave rise to it is coming to an end, and the very sophistication of its method can be used as its own cannons turned against itself. Surely to a Marxist there should be nothing paradoxical to such a situation, as the doctrine teaches that ideas reflect the material world around them, usually with a time lag. The judgment of other historians may be more severe; they may hold that dependency theorizing reflected on a transitory moment in the process of Third World change, and that its major contribution was not to give insight to events there, but to be the ideological representation of a triumphing nationalist consciousness in these areas. It might even appear in retrospect that dependency writing represented only the narrow and short-term perspective, while the developmentalist approach proved better able to explain the course of change in the Third World over the long haul. What greater irony than for the dependency school to reaffirm, as the result of its own labors, the established verities of developmentalism!

Intriguing as such speculation may be, there is little reason to think

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that the dependency approach will founder for these reasons. As we have seen, dependency writing is not a simple-minded affair. It is no surprise, therefore, to learn that it has already generated concepts that enable it to pull back into line any potentially fissiparous tendencies leading toward apostasy.

A key argument in this respect is that the dramatic changes occurring on the periphery essentially leave untouched both the central characteristics of political life in the South and the predominance of northern power in shaping development there. For instance, industrialization to build up import substitution, through which southern countries attempted to become more self-reliant, led to the costly purchase of plants and equipment from abroad, the increased penetration by multinational corporations of local tariff barriers, and the development of ventures that catered largely to the ruling class. On the other hand, export-led industrialization also relied (as its very name suggests) on foreign know-how, markets, and financial institutions. In either case, the rich continued to monopolize the benefits of growth on the periphery and to depend on authoritarian governments to keep the masses in their place.

At the same time, foreign actors retained their paramount positions. *Dependencistas* point out that, while the periphery may be developing economically, the leading sectors of industry there—the "commanding heights" or the "pace-setters"—are owned overwhelmingly by Americans, Europeans, and Japanese. Moreover, because the local economy is now far more integrated than it was previously, it has also become far more sensitive to economic fluctuations abroad, as the current Third World debt crisis with its extreme vulnerability to interest rates in the United States so dramatically illustrates. As a result, the international system has maintained its grip on the periphery despite the real economic changes that have taken place there. And with this grip, its various agents—from multinational corporations to the International Monetary Fund—are able to create an environment suitable for the unimpeded accumulation of capital: a docile, cheap work force to exploit; favorable taxing regulations for private enterprise; and a fiscally "responsible" state (i.e., one that does not engage in "excessive" social service expenditures). Once again, the consequences have entailed the impoverishment of a substantial portion of the population and the need for an authoritarian regime to keep the discontented in line: the dependency relation itself may even have been strengthened.[25]

According to the *dependencistas*, the economic modernization of the

[25] See, for example, discussions along this line in Evans (fn. 20), and Murdoch (fn. 18).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

periphery has also affected the international order; but here, too, the continuity of imperialist control lies beneath the apparent change. As countries in the South come to diversify and integrate their economies, they may leave the periphery—but not to join the core, since neither their financial nor their technical infrastructure is autonomous enough to play a part in controlling world economic affairs. Instead, because of their continued dependence, these countries come to play the part in the world system that their middle class plays domestically. That is, they have little real power, but the demonstrable privileges they enjoy relative to those beneath them on the periphery (in part because of their exploitation of those less well placed) obligates them to do their part to keep the system operating. So those on the "semi-periphery" (sometimes called the "newly industrializing countries" or NICs) become junior, collaborating members of the international trading, investment, and financial system—their very gains serving only to reinforce the system that binds them to its will. If in appearance the international economic system is undergoing change, in reality the power of capitalism and the dominance of the northern imperialists have never been more effective.[26]

Thus, however much the dependency school may seem to possess within itself arguments that could lead to its own destruction, such a forecast takes no account of the ways in which the doctrine can maintain its stability despite the changes it is undergoing. Like other coherent ideologies, the dependency perspective has self-protecting concepts to deflect all manner of threat and preserve the doctrine's integrity. More than just an ideology is at stake here; there are other forces in operation assuring the doctrine's stability. The dependency perspective is an ideological "united front" in the Leninist sense: it binds together Marxists and Third World nationalists in their mutual hatred of imperialism. Just as *dependencistas* maintain that developmentalist ideas are "ideological" in the sense of serving political interests, so there is a political urgency to the dependency case as well. In short, for practical political, as well as doctrinal, reasons, we should expect the dependency approach to remain assertive. It will not be undone, as was speculated above, by its own hand.

An adequate criticism of the dependency school must simultaneously provide an account of British and American imperialism since the late 18th century and an account of change in the late-industrializing world.

[26] While the term "semi-periphery" appears to have been coined by Immanuel Wallerstein, the earliest use of the concept of which I am aware occurs in the idea of "go-between countries" as explained by Johan Galtung, "A Structural Theory of Imperialism," *Journal of Peace Research* 8 (No. 2, 1971).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It must demonstrate that economic interests constitute but one motive to imperialism (and not necessarily its most important), and it must establish that the form development has taken in Africa, Asia, and Latin America is only partly (and usually not primarily) the result of imperialism's influence; instead, it represents the outcome of local forces at work. Any such undertaking will confront fully and directly the core propositions of the dependency school: that imperialism works fundamentally to accumulate profits for capitalists, and that the power of this enterprise over the last several centuries has been so great that it has literally molded the economic, social, and political profile of the Third World. One cautionary note: piddling criticism of the dependency school is a waste of time. A perspective as supple and complex as that of *dependencia* will have no trouble explaining away as irrelevant, or as understandable in its own terms, relatively minor points about change in the core, the periphery, or the international system, or demands that its claims be made quantifiable and so readily testable. One must instead go to the heart of the matter, exploding dependency's myth of imperialism at the same time as its myth of the logic of change on the periphery. This is not to say that imperialism does not continue to be of influence in the South, or that Marxism is without its insights into the human condition. It is indeed possible to accept dependency interpretations of history where they seem appropriate. But that is not good enough for the advocates of dependency; like proponents of any holistic ideology, they are intensely suspicious of eclecticism. For the unity of the movement to be irredeemably shattered intellectually, it is not necessary, in short, to maintain that dependency is always and everywhere mistaken, but only that it is no better than a partial truth.[27]

The extremeness of the dependency model, its holism, and the way it comes to rest on a few simple premises constitute its source of unity and strength, and at the same time its point of greatest vulnerability. Consider, for example, its enormous emphasis on the character of the collaborating class in the Third World context. This group, born of imperialism and serving its interests locally through the power to manage affairs on the periphery, is predominant thanks to its international connections. But if it can be maintained that, for a specific time or place,

[27] See Tony Smith, *The Pattern of Imperialism: The United States, Great Britain, and the Late-Industrializing World since 1815* (New York: Cambridge University Press, 1981), chaps. 1 and 2. Strong attacks on world system analysis—which is the cornerstone of dependency theory—include Theda Skocpol, "Wallerstein's World Capitalist System: A Theoretical and Historical Critique," *American Journal of Sociology* 82 (March 1977); Aristide R. Zolberg, "Origins of the Modern World System: A Missing Link," *World Politics* 33 (January 1981); and Patrick O'Brien, "European Economic Development: The Contribution of the Periphery," *The Economic History Review*, 2d series, 35 (February 1982).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

this class is only one among many, and that other factors, such as inherited political institutions or ethnic cleavages, are equal or even more significant in determining the course of events, the claim that the country is dependent loses its essential meaning. Through the insertion of a collaborating class in the South, imperialism must dominate life there; it is not enough that this be one force among the many, or only triumphant at certain intervals. If it were not dominant, then the country would no longer be shaped primarily by the force of economic imperialism. The tie with world system analysis would snap, the claim to a unified approach to the study of the Third World would be invalid, and the militant accusations that the class struggle and the national struggle in the South are one would be more difficult to sustain. One may find that some countries, at some times, correspond more closely to the dependency model than do others; so it clearly has its value as a paradigm for analysis. But the suggestion that the paradigm is useful only sometimes would be unacceptable to this school. Its ambition requires far more. And, though this ambition is an undeniable source of the dependency movement's strength, it is likewise the point at which the arms of criticism may be used most devastatingly against it.

There is no reason to believe that attacks on the dependency approach will weaken the convictions of its advocates. Like the proponents of any strong model, these writers have ways of deflecting attacks and maintaining their conceptual unity. And, as we have seen, the political interests served by such an ideology will insist on the veracity of this way of understanding the world whatever the objections.

IV. New Agenda for Third World Studies?

One ready answer to the serious problems caused by inadequate model-building for Third World studies is to avoid comparative studies in favor of the traditional historical method, where the intelligibility of events is assumed to flow from the unfolding of unique constellations of circumstance. I believe that this is what Hirschman was suggesting when he contrasted the occasional weakness of the comparative method with the richness of John Womack's *Zapata and the Mexican Revolution* (1970). Similarly, Clifford Geertz has emphasized the value of understanding social orders from within, citing Roy Mottahedeh's *Loyalty and Leadership in an Early Islamic Society* (1980).[28] Although these two works have no explicitly comparative ambitions, they produce such insights on

[28] Hirschman (fn. 5); Geertz, "Conjuring with Islam," *The New York Review of Books*, May 27, 1982.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the interested reader in much the manner a good novel may work, with a message far exceeding the historical limits actually set by the work of art.

In fact, however, there is no need to contemplate abandoning the comparative method as a serious remedy for the shortcomings in Third World studies bequeathed us by the descendants of Marx and Weber. Despite our inability to come up with a "general theory of action," or our reluctance to believe that virtuoso applications of class analysis will unravel all the complexities of development, work is going ahead on a variety of important questions whose analytical manageability is proof of the enduring worth of the comparative method.[29] *Social Origins of Dictatorship and Democracy* by Barrington Moore, Jr. (1966) and *Economic Backwardness in Historical Perspective* (1962) by Alexander Gerschenkron are examples of the kinds of comparative work that may serve as models in the field. As long as worthwhile problems are posed that have the possibility of empirical analysis on the basis of well-formulated theories not hostage to some hidden agenda and drawing from the domains of the social sciences combined, it would be premature indeed to announce the field of study closed. Certainly the interest is there. The proliferation of problems studied and the range of approaches used to deal with them, combined with a sense of the moral and political seriousness involved and their close relationship with questions of American foreign policy, make the field particularly dynamic even if there is no single center of gravity pulling everything together.

In future undertakings there is no need to repudiate the important insights provided by either the developmental or the dependency approaches. For whatever the shortcomings of their general categories of analysis as such, each has provided useful empirical and theoretical tools for Third World studies which should on no account be abandoned. Freed of the agendas set by their paradigms, we may nonetheless borrow from their labors.

The problem with developmentalism was that it was too fragmented; with *dependencia*, that it is too holistic. Is it nonetheless possible to promote some kind of cross-fertilization that breeds the strengths of each into a new synthesis while leaving the deadwood behind? If we have catalogued the failings of each school, what of their positive le-

[29] For interesting reflections on the comparative method, see Neil J. Smelser, *Comparative Methods in the Social Sciences* (Englewood Cliffs, NJ: Prentice-Hall, 1976), esp. chaps. 6 and 7; Theda Skocpol and Margaret Somers, "The Uses of Comparative History in Macrosocial Inquiry," and Victoria E. Bonnell, "The Uses of Theory, Concepts and Comparisons in Historical Sociology," both in *Comparative Studies in Society and History* 22 (No. 2, 1980).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

gacies? Is some kind of "postmodernist" borrowing possible that moves us forward?

Thanks in good measure to the dependency perspective, those in the "mainstream" must now think more broadly and complexly about the Third World than before, while moral advocacy is no longer taboo in the name of an "objective" social science. We must think more broadly because the dependency approach obliges us to analyze Third World development globally and historically on a far larger scale than before. We must think more complexly because *dependencia* obliges us to see the interconnectedness of things—especially in the realm of political economy. And we must think in a more normative manner because of the dependency school's insistence that the terrible human problems of change can simply not be put to the side. Indeed, it should be possible to take the dependency lesson one step further, not only by extending its methods to new areas, such as the study of Soviet imperialism in Eastern Europe or examining the ways in which relations with the South actually debilitate and undermine the great powers involved (witness the multinationals exporting jobs and selling the technological patrimony of the West for a pittance), but by expanding our sensitivity to the range of influences apart from the economic that the United States in particular may use to shape the Third World in basic ways. In its greatly exaggerated emphasis on the economic motivations of the United States and the earlier imperialist powers, the dependency school has completely overlooked the political logic of imperialism, both as a reason for American policy and as an active agent of change in the South. Thus, for all its warnings of the threats that imperialism poses to the late-industrializing world, dependency thinking has neglected, ironically enough, one of the chief avenues by which northern influence is exercised.

By contrast, the major accomplishment of developmentalism lies in the variety of analytical tools it brought to the study of change, and in the care with which it used them. The focus of this school was essentially on working out the logic of different social processes in their own terms—political, economic, social, and psychological. If God is in the detail—that is, if excellence is apparent in the mastery of nuance and technique—if it is the specificity, the concreteness of social life that brings us closest to understanding it, then developmentalism still has a great deal to teach us by example. It is from developmentalism that we can come to appreciate, for instance, the "laws of motion" of discrete domains; in politics, there are the rich studies done on bureaucracies, parties, and matters of legitmacy, for instance. Eclecticism is sometimes thought of negatively, as if it had an *ad hoc*, superficial character that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is of little use analytically. But if eclecticism is thought of instead as the effort to bring a variety of insights to bear on a problem in a patient manner that respects the complexity of the problem studied, then the various analytic tools offered by the social sciences today can continue to have the utility that the developmentalists originally hoped they would have. Thus, current topics—such as ethnicity as a source of solidarity or conflict in development, the character of the state and its role in change, and the varieties of religious cultures and their impact on change—were all subjects of interest to developmentalists a good quarter of a century ago.

From dependency thinking, we may learn a breadth of vision (even if most of these writers used this vantage point to violate the integrity of individual cases). From developmentalism, we can learn how a variety of theoretical tools may be used in harmony to organize the complexity of social life (even if in the hands of most of these writers such an approach did not add up, so that an overly fragmented view was the result). At the same time, Third World studies may work more fruitfully in the case of issue-oriented problems of comparative analysis, without the feeling that such efforts must ultimately vindicate either of those will-o'-the-wisps, a "general theory of action" or the notion that "all of recorded history is the history of class struggle." Simultaneously, there may be a renewed appreciation of works of art or history that, despite their lack of comparative focus (or indeed, because of it), are able to communicate so well the character of the Third World. In this way, perhaps something of the unity of the field may be resurrected—by the frank admission that the range of issues to be investigated admits of a variety of approaches such that discourse is facilitated, not ended. Still another frank admission must be that these concerns are not limited to the field of comparative study, but involve international relations as well. No matter how critical a comparative analysis may be today of the study of comparative development, its conclusions may also serve to clarify our thinking as to what is useful and what is possible—so that the field may once more experience the self-confidence that shows its revitalization to be at hand.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Review Articles

THE EIGHTEENTH BRUMAIRE OF GENERAL WOJCIECH JARUZELSKI

By RICHARD SPIELMAN

Timothy Garton Ash, *The Polish Revolution: Solidarity.* New York: Charles Scribner's Sons, 1983, 388 pp.

Mieczyslaw Rakowski, *Rzeczpospolita na progu lat osiemdziesiatych* [The Republic on the Threshold of the 1980s]. Warsaw: Panstwowy Instytut Wydawniczy, 1981, 259 pp.

Jadwiga Staniszkis, *Poland's Self-Limiting Revolution.* Princeton: Princeton University Press, 1984, 361 pp.

I

ENGELS once remarked in a letter to Marx,

> that it really looks as if old Hegel is directing History as World Spirit from his grave, and with the greatest conscientiousness lets everything spin out twice, once as great tragedy, and the second time as running farce, Caussidiere for Danton, Louis Blanc for Robespierre, Barthelemn for Saint-Just, Flocon for Carnot, and Mondkalb with the top dozen most debt-ridden lieutenants for the little corporal and his roundtable of marshals. Thus, as for the 18th Brumaire—we've been there before.[1]

Marx liked the observation. He liked it so much, in fact, that he paid it the highest compliment any writer can give: he rewrote it as his own (with false attribution) and ended up composing one of the most memorable passages in his entire corpus.

> Hegel remarks somewhere that all great, world-historical facts and personages occur, as it were, twice. He forgot to add: the first time as tragedy, the second as farce. Caussidiere for Danton, Louis Blanc for Robespierre, the Mountain of 1848 to 1851 for the Mountain of 1793 to 1795, the Nephew for the Uncle. And the same caricature occurs in the circumstances in which the second edition of the Eighteenth Brumaire is taking place.[2]

[1] Friedrich Engels in a letter to Karl Marx, December 3, 1851. A. Bebel and E. Bernstein, eds., *Der Briefwechsel zwischen Friedrich Engels und Karl Marx, 1844 bis 1883* [Correspondence between Friedrich Engels and Karl Marx, 1844-1883], Vol. I (Stuttgart: J.W.H. Dietz, 1913), 271-72.

[2] Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte*, in Robert C. Tucker, ed., *The Marx-Engels Reader* (New York: W. W. Norton, 1972), 436.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Some contemporary Marxists, such as Perry Anderson, consider Engels to have been Marx's superior in historical judgments.[3] This may well be true. But clearly no one was Marx's better in style.

After his well-crafted editing of Engels, Marx continued:

> Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly found, given, and transmitted from the past. The tradition of all the dead generations weighs heavily like a nightmare on the brain of the living.[4]

From the vantage of pure artistry, *The Eighteenth Brumaire of Louis Bonaparte* is indeed a masterpiece. But it is not solely a triumph of style. As has frequently been remarked, it also contains the best, the most consistently sustained and nuanced Marxist analysis of "class" and "class politics" in all his writings.

There is, however, a second, somewhat less obvious reason for valuing the substantive content of this work, which is also the reason why the essay is useful in analyzing recent developments in a contemporary Leninist state such as Poland. In *The Eighteenth Brumaire of Louis Bonaparte*, Marx serendipitously presents the conceptual basis for a Marxian critique of Leninism. In the context of his renowned discussion of the class qualities of the "disorganized" French peasantry, whose interests became represented "for them" and "in their own name" by Louis Bonaparte, Marx identified and conceptually named—in order to condemn—the political essence of Lenin's revision of Marx. The concept is that of "the represented class interest." Its political exploitation by Lenin made possible the phenomenon of "Leninism."

II

Marx came to his analysis of the class characteristics of the French peasantry by posing the most Marxian of questions: "In whose class interests is state power exercised in Louis Bonaparte's France?" The answer, Marx suggested, was not immediately obvious. Under the second Bonaparte, the state seemed to have made itself "completely independent" of any social class. But this was an impossibility, of course, when all of history was the history of class struggle—so Marx concluded: "And yet the state power is not suspended in mid-air. Bonaparte represents a class, and the most numerous class of French society at that,

[3] Perry Anderson, *The Lineages of the Absolutist State* (London: NLB, 1974), 23.
[4] Marx (fn. 2), 437.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the *small peasants*."[5] But, if the small peasantry constituted "the great mass of the French nation," and if Louis's state represented its interests, why was the relation between the two so difficult to perceive? Why did it look as if there were no "class basis" to Louis's state? The answer lay in the special class qualities Marx assigned to the French peasantry, qualities that need not be reserved for this social collectivity alone.

Marx submitted that there are *two* criteria for class formation, not just one; that, in addition to his classical criterion of the "relation to the means of production," there also exists a "political-organizational" condition (a criterion based on "the relationship to the means of political *self-organization*") that must be met, or else the economically defined collectivity in question *does not form a class*. Since the small French peasantry failed on this second criterion, Marx did not give it full class status.

> The small peasants form a vast mass, the members of which live in similar conditions, but without entering into manifold relations with one another. . . . The small holding, the peasant and his family; alongside them another small holding, another peasant and another family. A few score of these make up a village, and a few score of villages make up a Department. In this way, the great mass of the French nation is formed by simple addition of homologous magnitudes, much as potatoes in a sack form a sackful of potatoes. In so far as millions of [small peasant] families live under economic conditions of existence that divide their mode of life, their interests and their culture from those of the other classes and put them in hostile contrast to the latter, they form a class. *In so far as there is merely a local interconnection among these small peasants, and the identity of their interests begets no unity, no national union and no political organization, they do not form a class.*[6]

Marx then drew the following political conclusion from the sociological "class fact" of peasant (dis)organization:

> They [the French small peasants] are consequently incapable of enforcing their class interest in their own name, whether through a parliament or through a convention. They cannot represent themselves, they must be represented. Their representative must at the same time appear as their master, as an authority over them, as an unlimited governmental power that protects them against the other classes and sends them the rain and the sunshine from above. The political influence of small peasants, therefore, finds its final political expression in *the executive power subordinating society to itself*.[7]

[5] *Ibid.*, 515.

[6] *Ibid.*, 515-16; emphasis added. This criterion of the relation to the means of administration is, of course, a very Weberian way of looking at class politics, and explains the great power of Marx's essay.

[7] *Ibid.*; emphasis added.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Marx's perception here is not simply stylishly clever; it is deeply insightful. It conceptually identifies a single concrete instance, in a 19th-century rural setting, of a larger sociopolitical phenomenon that would recurrently manifest itself throughout the 20th century in urban-industrial environments—ironically because of a revolution carried out in Marx's own name: Lenin's revolution of 1917. The phenomenon is that of the "represented class interest" and the domineering executive authority which may be cantilevered upon it.

If one substitutes the abstract concept of the "represented class" for the specific case of the French small peasants in Marx's passage above, one may generalize upon his commentary to create the following proposition:

> The political influence of the "represented class" finds its final political expression in the state's executive power subordinating society to itself.

It was Lenin's great and tragic political legacy to discover that *it is possible to create the political-organizational class equivalent of the small peasantry out of urban industrial workers.* In the name of Marx, Lenin demonstrated that one could take small peasants, like the Russian small peasants (or the Polish, or the Cuban, or the Chinese), move them into cities, employ them in factories, *deny them the means of self-organization and self-representation*—such as independent trade unions—and thereby create an urban counterpart of a sackful of potatoes: *a sack of nuts and bolts.* And then, on the basis of the "represented interest" of this politically paralyzed small-peasantry working class, one could fashion a Party/state executive authority that subordinates society to itself.

Lenin's revision of Marx, which theoretically justifies this essential Leninist maneuver, appears, of course, in Lenin's *What Is To Be Done.*

> The history of all countries shows that the working class, exclusively by its own effort, is able to develop only trade union consciousness, i.e., the conviction that it is necessary to combine in unions, fight the employers, and strive to compel the government to pass necessary labour legislation, etc.[8]

It was therefore necessary, Lenin argued, to create a political vanguard of professional revolutionaries—organized as "the party of a new type"—which could effectively substitute itself for workers by representing the workers' "true" interests for them and in their own name, since the workers themselves were so obviously incapable.

[8] V. I. Lenin, *What Is To Be Done*, in Robert C. Tucker, ed., *The Lenin Anthology* (New York: W. W. Norton, 1975), 24.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

One need not assume, however, that it was Lenin's categorical political intention to create a state of such crushing "executive power" on the basis of his revision of Marx, or to invent the sociopolitical equivalent of the small peasantry in an urban setting. On the contrary, it seems that Lenin's plan for trade union organization "within the dictatorship of the proletariat" was designed precisely to overcome the fact that the world's first "proletarian" revolution had occurred in the midst of a vast sea of peasants.[9]

Thus, Lenin did not want trade unions to be subordinate to the state apparatus (that was Trotsky's idea), nor did he even think of unions as being directly subordinate to the Party. Rather, as he explained in December 1920, "Within the system of the dictatorship of the proletariat, the trade unions stand, if I may say so, between the Party and the government."[10] This unusual positioning resulted from the fact that their primary task was to be an *educational* one.

> On the one hand, the trade unions, which take in all industrial workers, are an organisation of the ruling, dominant, governing class, which has now set up a dictatorship and is exercising coercion through the state. But it is not a state organisation; nor is it one designed for coercion, but for education. It is an organisation designed to draw in and to train; it is, in fact, a school: a school of administration, a school of economic management, a school of communism.[11]

In effect, Lenin's formula for trade unions was based upon the realization that Russian "ex-peasant workers" had all the organizational characteristics of a sackful of potatoes, and that the job was to transform them from a small peasantry into an urban working class, with appropriate class consciousness.

The primary condition for success in this educational effort, Lenin also realized, resided in the unions' organizational *separateness* from the Party and the state. They had to be relatively free from the Party's administrative interference, particularly with regard to the election of trade union officials.[12] But it did not work out that way. Shortly after the 10th Party Congress, at the 4th Congress of the All-Russian Central

[9] "The Russian Communist Party is maintaining the dictatorship of the proletariat in a country where the peasant population has a preponderant majority." From the resolution of trade organization, "The Role of Trade Unions Under the Dictatorship of the Proletariat," adopted at the 10th Congress of the Russian Communist Party (Bolshevik), in 1921.

[10] V. I. Lenin, *Collected Works*, Vol. 32 (Moscow: Progress Publishers, 1965), 20.

[11] *Ibid.*

[12] The selection of executive personnel of the trade union movement should be made, of course, under the directing control of the party. But party organizations must exercise particular care in applying the normal methods of proletarian democracy precisely in the trade unions, which are the one place more than any other where the selection of leaders should be done by the organized masses themselves. In this way, conditions will be created whereby the party organizations, while fully maintaining control in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Council of Trade Unions, a proposal was made to give control over the individual trade unions to the central trade union organization. By 1924, the Central Committee had gained control over the channels of communication between higher trade union party organs and their subordinates, and the Secretariat (now under Stalin's leadership) "also soon asserted the sole right to control both the election of trade union organs, and especially of the key officials, and the transfer of officials from one union to another, or from a union to a party organization."[13]

Logically perhaps, from the point of view of the represented class interest, it could not have worked any other way. For how could workers advance "class-conscious" workers' interests, when they were only workers by place of employment, but not by birth, culture, or experience? Hence, the class interests of these ex-peasant workers had to be represented *for* them, in their name, even after the revolution. But this necessity meant that the institutional vehicle that Lenin conceived of as a means to overcome his workers' peasant-culture legacy—trade unions as schools—would shortly become precisely the mechanism by which workers in a Leninist state were confined to the political-organizational class structure of their small peasantry social origins (since it became the means by which Lenin's party *prevented* workers from organizing themselves). Thus, Lenin's revolution, designed to overcome social backwardness, ensured a pre-modern, peasant-like social form at the very core of his postrevolutionary social order.

Finally, within this one-class environment, in which (from the point of view of social self-organization) the political authorities alone form a class to dominate a classless society, it is similarly logical that an unlimited executive power could be created in the workers' name on the ground that it "protects them against the other classes" (i.e., their class enemies). Naturally, this executive power would then have to appear as their "master, as an authority over them," sending them their sunshine and their rain, their May Day parades and their Five Year Plans, and occasionally even their deaths on the island of Kronstadt or in the streets of Gdansk.

III

On August 30, 1980, workers in the People's Republic of Poland began to make history—not as they were supposed to, but rather much

their hands, will not have to interfere directly and repeatedly in the internal activities of the trade unions.
From "The Role of Trade Unions . . ." (fn 9).

[13] Leonard Schapiro, *The Communist Party of the Soviet Union* (New York: Vintage Books, 1971), 337.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as they pleased. On that date, striking Polish workers forced a representative of Poland's ruling Leninist party to sign a remarkable document, the second paragraph of which contains its political essence:

> Trade unions in the People's Republic of Poland have not fulfilled the hopes and expectations of working people. It is advisable to create new, independent trade unions which would be authentic representatives of the working class.[14]

These two sentences are nothing less than *What Is To Be Done* undone. In 1901, trade-union consciousness was not enough for Lenin. But 79 years later in Poland, it proved to be more than enough for Polish communists who ruled in Lenin's name.

Yet the Independent and Self-Governing Trade Union Solidarity was not solely the expression of trade union consciousness: it was a *school for citizenship.* Economically, socially, and politically,[15] Solidarity offered its membership *formally equal rights of membership in a national civic unit.* Founded upon associational principles of organization in which each member had the right of unmediated access to any other member over issues of general concern, Solidarity was Poland as civic nation free from its forced moorings to a Leninist state—in search, ultimately and vainly, for a state structure that would respect its civic desires.

First, Solidarity was economically organized as a *supra*-trade union. Its sub-unit boundaries fell along territorial lines, not trade or industrial ones. Thus, the union was designed to improve the collective economic well-being of Poland's workforce defined in terms of its members' allegiance to territorially described communal groupings. In this regard, its members' economic interests expressed a broad civic dimension, and not just narrow worksite concerns.

Second, Solidarity was also socially a civic unit: it was a social class of national proportions with its own specific culture, one defined in opposition to the culture of the nation's exclusive political class. In its working-class component, Solidarity thus carried the seeds of a fiercely egalitarian "cultural revolution" that aimed to reverse the status order

[14] *Protokol porozumien Gdansk, Protokoly porozumien Gdansk, Szczecin, Jastrzebie* [Protocol of the Gdansk Understanding, from the protocols of the Gdansk, Szczecin, Jastrzebie Understanding] (Warsaw: *Krajowa agencja wydawnicza*, 1980), 2; author's translation.

[15] Max Weber's definition of the political dimensions of citizenship. Weber notes three "distinct significations" of the concept of citizenship (*Bürgertum*). First, "certain social categories or classes which have some specific communal or economic interests." Second, "citizenship signifies membership in the state, with its connotation as the holder of certain political rights." Third, there are citizens in the class sense of a shared social culture "in contrast with the bureaucracy or the proletariat and others outside their circle, as 'persons of property and culture.' " Weber, *General Economic History*, Frank Knight, trans. (Glencoe, IL: Free Press, 1927), 315.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(Staniszkis, 145-46). But in its larger cultural dimension, which included the aspirations of both workers and the intelligentsia (both lay Catholic and secular), Solidarity also represented a "new nation" founded upon principles rooted in the country's non-communist ethos and past, however idealized. The goal of these cultural aspirations was to reclaim "the true Poland" from the crude distortions of party historians and cultural hacks, as well as from the lurid moral and venal corruption of the prevailing order.

Third, and perhaps most importantly, Solidarity was a civic society in its political dimension. The union was created to secure its members' full rights of membership in the state. The clarity of this intent is self-evident in the very nature of the original demands lodged at Gdansk. The demand, for example, for a free flow of information in the country—although justified as a prerequisite for responsible union attention to economic issues—was in point of political fact a self-conscious attack on the Party's monopoly of public information that prevented full participation in matters of state by non-Party Poles and ensured their status as subjects—not citizens—of the realm. But the workers' civic intent expressed itself most clearly in their objection to the incorporation of the phrase "the leading role of the Party in the state" into the union charter. (See Staniszkis, 56-62, for the best discussion of this issue in the Gdansk negotiations.) This formula provides the legal basis for a political order founded upon the represented class interest. As the workers in Poland well knew, it is this coded phrase that legally condemned them to second-class political status, shared by all those who must suffer the representation of their own interests by others. By forcing its removal from the body of their union charter on November 10, 1980, Polish workers guaranteed the integrity of their union as an independent *polity* of national scope. By joining Solidarity, one could thus become a worker-citizen in non-Party Poland—while the Party was left virtually suspended in mid-air, and connected to the nation by the grace of the threatening Red Army.

But within Solidarity one also found, from its very inception, "greater and lesser citizens." The greater citizens were the national union leadership, composed of Walesa and his intellectual advisers, as well as political dissidents of national prominence, such as Jacek Kuron. These leaders controlled, for example, the union's national press and the flow of important information within the union; they set the union's agenda; and, above all, they exercised the prerogative of secret negotiations with the Party elites. The "lesser citizens" were the rank-and-file union members, who complained about inadequate information; whose demands

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

were more radical than, and often at variance with, those of their leaders; and who were frequently frustrated and demobilized by the outcome of the secret negotiations (Staniszkis, pp. 20, 25, 78-79, 126). To a large extent, the internal history of Solidarity is the history of this conflict between two classes of union-citizens, a conflict well camouflaged by the slogan of "solidarity."

From the point of view of historical development, therefore, Solidarity represented a unique and ironical phenomenon. It was an organization of Polish workers which, in the context of a 20th-century Central European Leninist state, substituted itself for the social force of an absent bourgeoisie by seeking to gain the national rights of citizenship traditionally won by the bourgeoisie in Western Europe in the 17th and 18th centuries. Further, in order to perform this unprecedented task, Poland's workers had to fight against a political organization whose ideological self-justification derived precisely from its own substitution of *itself* for the workers. Moreover, this opposing Leninist organization had elaborated an executive authority whose effect was to *prevent* the class formation of urban industrial workers by politically paralyzing them with "representative" trade union institutions. The effect of this form of trade union representation was to reproduce the same political-cultural qualities of a small peasantry that had characterized the social origins of these workers—qualities that Lenin had sought to eradicate in his scheme for trade unions. Poland's Leninist Party/state structure therefore presented itself as exactly the political configuration Polish workers were compelled to revolutionize if they were to become the class-conscious, real workers of Lenin's original vision.

Solidarity is nothing if it is not a study in historical irony.

For sixteen months, Solidarity's revolution thereupon proceeded in the manner of Stalinist salami tactics in reverse, as the union slowly sliced one professional organization or public institution after another off from Leninist organizational control. The Journalists' Association, the Student Association, even the Boy Scouts, all wrested themselves free from superordinate Party control. In the summer of 1981, even the institution of censorship fell; and in the autumn of that year, Parliament itself proved to be no longer in the pocket of the Party.[16] From the point of view of Poland's ruling Leninist party, the Polish United Workers Party (PUWP), this was Leninist history repeating itself not as tragedy but farce. Real time went forward, but political time in Poland went

[16] Parliament's failure to pass the Party-sponsored resolution on factory manager appointments in October 1980 was correctly recognized by Walesa's advisor Bronislaw Geremek as an extremely significant event, but was generally lost on the union as a whole.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

backward: politically, the nation came closer and closer to 1948 when the first edition of Leninist rule was initiated.

Then, in the early morning hours of December 13, 1981, the tradition of all the dead generations in Poland visited the land like a nightmare. General Wojciech Jaruzelski, the First Secretary of the Polish United Workers Party, the Prime Minister, and the Minister of Defense all in one—who was educated by Marianist brothers at an elite Catholic secondary school, whose grandfather and father both perished at the hands of the Russians, and who lost his mother during his family's deportation to the Soviet Union in World War II—General Wojciech Jaruzelski imposed a "state of war" within his country so that his Party's farce would not come full circle and end in national tragedy again: another Soviet invasion. He thus initiated a lesser tragedy—in his own words, a "lesser evil." By destroying Solidarity, General Jaruzelski became, after Marshal Jozef Pilsudski, the second Polish strongman of this century to engineer a *coup d'état* that would end a brief experiment in democracy. But in the execution of his coup, as well as in the goal of his political violence, General Jaruzelski's tragic maneuver also represents Polish history repeating itself (one must not forget to add) as farce.

"In the course of a Sunday night in December," the imprisoned dissident Adam Michnik later wrote from his cell,

> functionaries of the security apparatus hammered at our house, broke down the door with crowbars, beat recklessly, sprayed tear gas in our eyes, handcuffed us, and led us—as internees—to prison.
>
> We were the first captives in this war of the communist establishment against its own population. This nocturnal action was the General's first victorious battle.[17]

Indeed, Jaruzelski did declare a "state of war" on December 13; he did not resort to martial law. But why? Why did Jaruzelski not declare martial law instead of a "state of war," thus avoiding the shameful question, "against whom, then, has this war been declared, if not all of Polish society?" The General declared a "state of war" because, from a strictly legal point of view, the Polish constitution gave him no other option. There was at the time no legal provision in the Polish code of law for martial law. To be sure, tactical caution forced Jaruzelski to begin his state-of-war action illegally, by moving into action several hours before he had assembled the Council of State, which alone had the power to make the decision. (He later removed from that Council

[17] Adam Michnik, "Wir sind alle Geiseln," *Der Spiegel* (March 8, 1982), 128. In this letter from prison, Michnik also observed that Solidarity did not produce "socialism with a human face"—it was more like "communism with its teeth knocked out." Author's translation.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the sole member who voted against his action, *ex post facto*.) But, as far as was *formally* possible, the General was determined to go by the book. This great, farcical disjunction between Jaruzelski's aspiration toward formal correctness in matters of state and his political arbitrariness born of grim necessity remains the central, irreducible fact of his entire political nature and of Poland's current dilemma.

But simultaneously, in his imposition of a state of war, General Jaruzelski also engineered a thinly veiled *coup de Partie*, whereby "he neutralized the Party as far as possible" (Staniszkis, 323) while he began to exercise his personal authority through the "Military Council of National Salvation" and a handful of close civilian advisers. Leninist history thereupon experienced its first episode of "Bonapartism."

But Jaruzelski's Bonapartism recalls the nephew and not the uncle. The second Bonaparte, wrote Marx,

> would fain be the most *obligeant* man in France and turn all the property, all the labour of France into a personal obligation to himself. He would like to steal the whole of France in order to be able to make a present of her to France.[18]

General Jaruzelski stole Poland from herself on December 13. Ever since then, by his own dim martial lights (made even dimmer by Soviet-bloc constraints), he has been trying to make a present of her to Poland. Since the imposition of martial law, for example, Jaruzelski has seen to it that the right to private ownership of family agricultural holdings has been written into the Polish constitution, and has consented, in principle, to Western financial support of Poland's private agricultural sector; relations between Church and state at the *elite* level are better now than they have ever been in the entire postwar period (despite the murder of Father Popieluszko by security personnel),[19] with church construction burgeoning as never before;[20] the establishment of diplomatic relations between the Vatican and Warsaw is still likely; and the legal codification of Church rights in Poland—an ardent goal of Poland's past primate,

[18] Marx (fn. 2), 523.

[19] The trial of Father Popieluszko's murderers is most directly related to the fact that the crime was conceived as an attack upon Jaruzelski's leadership; hence, in order to maintain inner-Party control, Jaruzelski had to punish the perpetrators, but he did not have to do it with such public fanfare. This unprecedented event is a further demonstration of General Jaruzelski's *non*-Leninist sensibilities and legalistic orientation, as well as how errant it is to dismiss him as a typical "normalizer," even though the trial ended with polemics against the church.

[20] According to unofficial statistics, approximately 600 churches are now under construction, whereas only 538 new churches were built between 1945 and 1978. For statistics on past church construction, see Bogdan Szajkowski, *Next to God . . . Poland* (London: Frances Pinter, 1983), 27.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Cardinal Wyszynski—is apparently in the works. Even the regime-created, post-Solidarity trade unions have exibited enough independence from the authorities (unparalleled elsewhere in the Soviet bloc) to be treated with disdain when they sought to represent their members' opposition to recent increases in food prices.[21]

But General Jaruzelski's obliging nature is little appreciated by many of his fellow citizens—to say the least. The reasons are obvious. First, by destroying Solidarity and restoring such pre-modern pillars of "real socialism" as censorship, General Jaruzelski has deprived his compatriots of the very vehicle by which they had managed to *become* his fellow citizens.[22] He has thus condemned them once again to their standing as second-class objects of Party/state authority. At best, he offers the people of People's Poland real influence only on routine and incidental affairs. But the character of the order continues to be defined without them.

Second, Jaruzelski's vision of a well-ordered Poland is neither civic nor Leninist: *it is inter-war*. This Red General's political gift to the nation is a rewrapped version of that which resulted from Marshal Pilsudski's 1926 coup—despite Pilsudski's better political intentions.[23] At his best, Jaruzelski offers no more than a politically demobilized, elitarian, statist, state-socialist order, run by a personal following of experts and army personnel, with some deference to church interests and Poland's primate, and largely window-dressed by the PUWP.[24] In

[21] The Party press account of the official trade union's plenary meeting to discuss the food price increases is almost a parody of itself. It notes the Executive Committee's report on their opinion of the price increases; reports the popular support for this "opinion" among the rank and file; notes that the Executive Committee's stance was approved by the trade union plenum "with one abstention"; and that this "stance" was conveyed to government representatives. But nowhere does the article mention what that "stance" was! (It was unequivocal rejection of the food price increases.) See *Trybuna ludu*, February 25, 1985.

[22] For sophisticated documentation of Jaruzelski's restorational activities, see *Poland Watch*, a quarterly journal published in Washington, DC. For the definitive study of the relation of censorship to the pathology of Poland's communist order, see Jane Leftwich Curry, trans. and ed., *The Black Book of Polish Censorship* (New York: Vintage Books, 1984).

[23] That [Pilsudski], the restorer of the Polish state, the father of its army, the protagonist of a strong presidency, should lead a revolt against the state authorities, sunder the unity of the army, and overthrow a constitutional president—for [President Stanislaw] Wojciechowski refused to legitimate the coup by remaining in office—were facts that would haunt Pilsudski for the remaining nine years of his life. This was not merely a case of a remorseful personal conscience, but of a violated political model.

Joseph Rothschild, *East Central Europe between the Two World Wars* (Seattle and London: University of Washington Press, 1974), 55. It is this violation that makes Pilsudski a tragic figure in the Greek sense of the term.

[24] After declaring a state of war, Jaruzelski attempted to create a non-Party personal following, organized as the Patriotic Movement for National Rebirth (commonly referred to by its Polish initials, PRON), much as Pilsudski created the Nonpartisan Bloc for Co-operation with the Government (BBWR). PRON never drew sufficient social support for Jaruzelski to use it as a political counterweight to the PUWP. Compare Rothschild, *ibid.*, 59-60.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

reality, however, what he has given his country is little more than another version of the represented class-interest state, one suspended in mid-air and driven to coerce and coopt some base of nonrebellious social support.

Yet the General and his advisers are not totally disassociated from Polish realities. Before one dismisses out of hand the hopelessness of their situation, one may well reflect on the fact that their disciplinarian vision of what Poland now needs—namely, *effective* central authority—finds some resonance in Polish society. On the very eve of the "state of war," independent Polish sociologists discovered that nearly one Pole in five endorsed the proposition that "Poland now needs a strong centralized government without the leadership of the PUWP," while one in seven endorsed the view that "Poland now needs a strong centralized government with the leadership of the PUWP."[25] In other words, just prior to the destruction of Solidarity, one-third of the country shared the General's conviction that what Poland needed was a strong state.

Second, Jaruzelski's inter-war political sensibilities appear to be shared by Poland's primate, Cardinal Jozef Glemp—much to the dismay of Solidarity activists and a good portion of the Polish emigré community. This affinity, however, is not an incidental or unreflective one. Glemp's endorsement of Jaruzelski's political intentions may be rooted in his longstanding interest in Cardinal Edmund Dalbor, Poland's interwar primate. Like Dalbor, Glemp was trained in Roman law and taught law in Gniezno. Further, Glemp wrote the first postwar scholarly study of Dalbor's works, analyzed in the context of Dalbor's life and activities. Finally, in 1976, in what seems to have been his first major public address, Glemp gave the sermon at the mass commemorating the 50th anniversary of the death of Dalbor.[26]

In sum, the Solidarity phenomenon represents one of the richest, most ironical, tragic, farcical, and analytically challenging political episodes in modern European history—Leninist or otherwise. It is not surprising, therefore, that the history of Poland during the Solidarity era is larger than any one analyst can capture, and no single volume is as yet definitive. Some outstanding works have appeared; however, today's major com-

[25] Jan Powiorski, "The Poles of '81: Public Opinion on the Eve of Martial Law," *Poland Watch*, No. 3 (Spring-Summer 1983), 124. One-third of the respondents, however, agreed with the proposition that "Poland now needs a decentralized government without the leadership of the PUWP and based on the participation of various social forces." This public survey vividly documents the politically divided nature of the nation.

[26] On the relation of Cardinal Glemp to Cardinal Dalbor, see *Slowo powszechne*, September 11, 12, 13, 1981, p. 7. Further, in assessing Glemp's political behavior, one must realize that Cardinal Wyszynski on his deathbed bequeathed to the church in Poland an aggressive Eastern strategy: "From here, the Church goes East ... the east is open in its entirety, to be won by the Church in Poland." Szajkowski (fn. 20), 235-38.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mentators—unlike Marx, the great stylist and thinker—must be grouped into either one category or another: those who can analyze but cannot write, and those who can write, but are deficient in their analyses.

IV

The finest writer to engage the Solidarity phenomenon is Timothy Garton Ash. *The Polish Revolution: Solidarity* represents the achievement of a great prose stylist. Many a journalist and many an analyst, for example, have gazed upon the lined, long, bearded face of Andrzej Gwiazda[27] and felt the tortured intensity that it casts, but only to Ash did it occur that what one sees is the "emaciated face of an El Greco saint" (p. 53).

But Ash's book is not only an achievement of style. It is also extremely well-researched, well-informed, and richly detailed. In his scant three years in Poland before the book's completion, Ash seems to have made every effort to explore the country in its entirety.[28] Not content with the view from the big cities, he went out into the countryside as well; in the process, he came to write what certainly is the finest description anywhere of the political heart and soul of the contemporary Polish village. (See his third chapter, "Inside the Rzeszow Commune: The Peasants Revolt," pp. 110-34.) Further, Ash seems committed to engage the controversial analytical issues ("was it really a revolution, and if so, what kind?"; "how did the West behave throughout these events, and how should one assess this behavior?"), and to address them from a point of view that aspires to eschew "the propensity of all parties to indulge in splenetic attacks on the others' *motives*, rather than reasoned criticism of their arguments" (p. xix).

Had Ash delivered upon his stated intention, one could praise the book unequivocally. Truly, it succeeds beyond measure in capturing Solidarity as a glorious moment, as a unique nonviolent movement for national liberation undertaken with remarkable courage, elan, and sophistication in the most geopolitically confining of circumstances. Ash's achievement in this regard is laudable. But if one chooses to regard the work as a study of Polish *politics*—both Leninist and Leninism-undone—during and after the Solidarity era, it is, regrettably, a very flawed book. To wit: there is a great difference between noting that

[27] Co-founder of the seminal, pre-Solidarity "Baltic Coast Free Trade Union."

[28] It appears that Ash arrived for his first lengthy stay (and possibly his first visit ever) in Poland during the August 1980 strikes. If that is true, it explains many of the book's main deficiencies.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Gwiazda's face recalls the art of El Greco, and noting that it recalls an El Greco "saint." In that difference lies the case for reading Ash very critically, in order to distinguish his moving advocacy from a reverential *apologia*.

The deficiencies of Ash's analysis are immediately apparent in his introductory segments: his "whistle-stop tour" of Polish history, and his discourse upon "Why Poland? Why Workers? Why 1980?" Here one finds some major biases that color his work throughout, giving it the character of a one grand morality play, rather than a comprehensive study in contemporary politics.

These biases are clearly revealed in the three major points Ash wishes to communicate in his brief rendition of pre-communist Polish history (a summary that literally begins and ends with Yalta):

> the Poles are an old European people with an unquenchable thirst for freedom; freedom in Polish means, in the first place, national independence; the Polish national identity is historically defined in opposition to Russia (p. 3).

What about the Germans, one wonders. For Ash, they virtually do not exist. For him, Poland is a Western nation trapped inside the Soviet bloc, rather than a Central European country wedged between the Germans and the Russians, and long on the periphery of Western economic development. Further, he is indifferent to questions of state formation and weak on matters of social class. Lastly, his treatment of Poland's communists betrays a very stereotypical sensibility.

Whatever contribution the Poles may have made to their own demise is typically interpreted by Ash as an unfortunate, but noble, aspect of character. Thus, Ash regards the *liberum veto* of the pre-modern Polish parliament as evidence of the Poles' "mistrust of central authority" (p. 2). But this odd institution is evidence of the single most important aspect of Polish historical development that any thumbnail sketch of the country's pre-modern past can communicate: namely, that in terms of the country's class structure, as well as its history of state formation, Poland represents a vivid *counter*-image to the historical course of northwestern Europe, derived from factors related to postmedieval European grain trade.[29] While English peasants were gaining their freedom and migrating to small towns and cities, an intensified serfdom was being

[29] From the mid-18th century virtually until the collapse of the Polish state, a single nay vote in the Polish Sejm would dissolve the parliament. The most sophisticated case for this understanding of Polish history has been made by the Polish historian Marian Malowist, particularly in his major work, *Wschod a Zachod Europy w XIII-XVI wieku* [East and West Europe in the 13th to 16th centuries]. Malowist's ideas have been made available to an English-speaking audience by Immanuel Wallerstein in *The Modern World System* (New York: Academic Press, 1974).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

imposed upon Polish peasants, making Poland the breadbasket for northwestern Europe.[30] While the native bourgeoisie was flourishing in the cities and towns of northwestern Europe, that of Poland was losing its political and commercial independence.[31] And while the Absolutist state was being elaborated in western Europe, the landed Polish nobility was emasculating its already weak central monarchy.

Thus, the *liberum veto*, exercised primarily by the large magnate families possessing enormous eastern latifundia,[32] was the instrument by which Poland's powerful landed nobility ensured that no strong state would be built, for such a state could constrain (as it did in the West) the exercise of their local, tyrannical, nobiliary authority over a defenseless peasantry. In Anderson's words, "Poland, *infernus rusticorum* for the peasantry, provided an *aurea libertas* for the nobility: no compelling need was felt for a strong State in this squire's elysium."[33] (Mistrust of central authority, indeed!)

But, most importantly, Ash is astonishingly indifferent about the Germans, the extent of the German devastation during World War II and the demographic changes it produced, and the matter of Poland's postwar border changes that came at the expense of the Germans in the West.[34] These are not minor matters. Moreover, to say that "Poles remember 17 September 1939, when Soviet troups invaded eastern Poland, just as vividly as 1 September" (p. 4), or that in 1945 the peasantry "still comprised roughly half the working population" (p. 4), is to be gravely misleading or just plain factually wrong. In either case, it reveals a serious disinterest in coming to terms with the horror of the Nazi years.

First, prior to the Solidarity years, most Poles did *not* endorse the Stalin-Hitler equation, for reasons that go beyond communist suppression of the issue.[35] Stalin was a cruel tyrant who murdered many and

[30] In 1575, the Polish nobility "acquired a formal *jus vitae et necis* over its serfs, which technically allowed it to execute them at will"; they could legally claim their labor services for up to six days a week. Anderson (fn. 3), 283.

[31] In the 16th century the municipal autonomy of the urban patriciates was virtually everywhere suppressed, and with it the chances of developing industry. The Germanic port of Danzig [Gdansk] alone escaped the elimination of medieval urban privileges by the *szlachta*: the monopolistic export control which it consequently enjoyed further stifled the inland towns. An agrarian monoculture was thus increasingly created, which imported its manufactured goods from the West in an aristocratic prefiguration of the overseas economies of the 19th century.

[32] One magnate "empire" in the Eastern Ukraine had no less than 230,000 subjects; the Radziwill house in Lithuania owned 10,000,000 acres.

[33] Anderson (fn 3), 285.

[34] For a distinguished and important new analysis of the political history of this border change, see Sarah Meiklejohn Terry, *Poland's Place in Europe* (Princeton: Princeton University Press, 1983).

[35] The biggest recent shift—from the Germans to the Russians—in the popular evaluation of who is the greater threat to the country occurred among teenagers during the Solidarity years.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

colonized the rest; but Hitler's activity was genocidal. Second, as a demographic consequence of Hitler's genocide, Poland had an even more predominant peasant character *after* the war than before—when it was already over two-thirds rural. It is well known (but absent from Ash's account) that Poland lost six million people—or one-quarter of its population—during World War II, primarily to the Germans. But it is less well known that these losses were very uneven in their urban/rural distribution. Eighty percent of the losses (approximately 4,750,000) occurred in the cities, whereas about 20 percent (or 1,250,000) were in the countryside.[36] As a proportion of the total town and country population in 1939, the war losses were more than 45 percent of the urban population and not more than 5 percent of the rural. In addition, the rural population continued to *grow* throughout the war years: in 1940-1942 it showed a 1 percent yearly increase. Consequently, by the war's end, Poland's people may have been as much as 80 percent rural-born.

(Talk about a sackful of potatoes.)

Very shortly after the war—by 1948—Poland became roughly one-half rural/one-half urban, as Ash indicates (without revealing the reason). The country changed its borders. It moved westward, losing its most sparsely populated rural lands in the east to the Russians, while gaining the highly urbanized (48 percent in 1939) northern and western territories of prewar Germany. The population migration involved in this border shift is sociologically unprecedented.[37] Because the native German population had been deported, the newly arriving, uprooted Polish peasantry became the first working class in history ever to be socialized *en masse* to an *existing* industrial environment. And though they were outraged by the regime's atheism and its treatment of the church, its ties to the Russians, and its ineffectual efforts at collectivization, many Poles nevertheless harbored a latent gratitude toward the communist authorities—a certain tolerance that could be manipulated—for having been made workers, when before they had merely been peasants.

Anna Walentynowicz, the woman whose firing lead to the strikes of August 1980, is a typical example of this social reservoir which the PUWP could manipulate for political support. Born in the eastern regions that Poland lost to the Soviets, she became a Party member and Stakhanovite laborer in Gdansk (details of her biography that Ash fails to mention), and maintained her Party allegiance even after the Decem-

[36] Kazimierz Piesowicz, "Zmiany w rozmieszczeniu i w strukturze ludnosci Polski w latach 1939-50" [Changes in the distribution and structure of the Polish people in 1939-50], unpub. (Pracja habilitacyjna, Warsaw, 1976), 63-72.

[37] *Ibid.*, 151.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ber 1970 massacres.[38] In other words, from the point of view of Poland's postwar class composition, Communist Party authority was no *more* doomed there from the start than elsewhere in Eastern Central Europe, simply because Leninist rule is most secure when it addresses the task of creating disorganized workers out of disorganized peasants. In many ways, the PUWP actively squandered a still relatively malleable worker support base throughout the 1970s, a base that had been garnered primarily as a result of the postwar border changes.

How that support was squandered, and how its squandering actually led to a revolutionary movement (and not just another revolt) is a complicated matter. It cannot be understood without at least some insight into the social development, by generations, of Poland's vast ex-peasant population, as well as some attention to Party/state relations during the decade of Edward Gierek's rule. But Ash is similarly shallow in his consideration of Party affairs, choosing to see the PUWP as merely a vehicle for the upward mobility of some of Poland's ex-peasants. When analytical push comes to moralistic shove, all Ash is interested in, as far as Party matters are concerned, is in demonstrating that the Party "liberals" are not *really* liberals—they are not Social Democrats—which they must be (in his opinion) if Poland is ever to regain its freedom. He just cannot see the PUWP in any dimension other than its members' opportunism.

Ash's treatment of the politics of Mieczyslaw Rakowski (Jaruzelski's Deputy Prime Minister), and of Rakowski's role in critical negotiations with Solidarity's leadership in August 1981, is a case in point. The importance of these negotiations can hardly be overstated: the talks were not called to solve any immediate political crisis (though they took place in a crisis environment), but rather to search for some common program that would pull the country out of its economic chaos. In the process, perhaps some positive working relationship between the government and Solidarity could then be found. Moreover, the talks occurred after the Party's 9th Congress, which confirmed the strategy of (then First Secretary) Stanislaw Kania to reach some kind of a political solution to the year-long conflict. Central to this approach was the Party's effort to differentiate itself from the state administration by divesting itself of responsibility (and blame) for all national policies, economic as well as social. Further, the government was encouraged to seek a limited partnership with Solidarity *at the elite level*, much as it had with the church

[38] See Walentynowicz's interview by Hanna Krall, trans. Andy Tymowski, *The Strike in Gdansk* (New Haven, CT: Don't Hold Back Press, 1981). This interview is, to my mind, the finest document we have on the social and cultural roots of Poland's ex-peasant workers.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

hierarchy, in order to avoid further confrontations and to use the union to help bring the country to order.

The Party theoretician of this approach was Rakowski, who had publicized (in coded form in October 1980) the radical idea of a "social contract" relation between the Party authorities and society, which would "change the nature of party legitimation from the utterly eroded and ritualized 'revolutionary' form to a quasi-legal one" (Staniszkis, 74). For this strategy to succeed, however, its proponents had to communicate to the nation (and to Solidarity) the profound institutional implications of this change, so that Solidarity would be willing to demobilize its mass base for "interests of state" (just as the church always did in moments of national crisis).

Yet in August 1981, Solidarity was in anything but a demobilizing mood: it was in the process of electing delegates to its National Congress, while its mass base was beginning to exhibit a new public radicalism in the form of nationwide hunger marches. The government, judging from Rakowski's opening position in the talks, was hardly forthcoming in specifying what Solidarity was to gain institutionally by consenting to support the government's positions on issues such as price reforms. The talks broke down in acrimony when a government negotiator handed Solidarity a list of "demobilizing" demands, and no joint communiqué was issued. Ash rightly notes that the "August breakdown was not the end of the talking between the government and Solidarity. But it was the beginning of the end" (p. 197).

How should one interpret this critical moment? Not, at the very least, as Ash does. To him, the evidence suggests "very strongly that the breakdown was premeditated. Of course it was unthinkable that Solidarity would accept [the government's] terms, and Rakowski knew it" (p. 197). Ash then indulges in a splenetic attack upon Rakowski's motives, which begins by mocking the notion of hardliners and moderates in ruling communist parties. Arguing that these distinctions are largely specious ("British diplomats in Nazi Berlin backed the 'moderate' Hermann Goering"), he asserts that "such differences are deliberately played up for Western consumption, and none more skillfully than by Mr Rakowski" (p. 198). After berating Rakowski for driving a Peugeot, Ash goes on to observe that although the man is indeed a "reform" communist, his vision of reform does not aim at political pluralism, but at "consultative authoritarianism" on the order of Kadar's Hungary. He finishes with Rakowski by citing a secret martial law speech in which Rakowski compared Poland to a wildly galloping horse that must be made to trot. Ash's point: Rakowski, the son of a peasant, has made it

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to the top, courtesy of the PUWP; and, as a duplicitous communist *arriviste*, he is determined that other Johnny-come-lately sons of peasants—like Zbigniew Bujak, head of the Warsaw Solidarity chapter and the thirteenth son in a peasant family—shall not bump him out. What Ash does *not* recount is that after the destruction of Solidarity, Rakowski was advocating the formation of an alternative Christian-Democratic Party in order to find a political solution to the martial law crisis (Staniszkis, 335).

Clearly, Rakowski is a much more complex figure than Ash can fathom. To be sure, he is not a liberal in the modern Western sense (although he undeniably possesses liberal sensibilities, such as a tolerance for diversity and even opposition) and will no doubt go to his grave defending the mess communism has made of postwar Poland as some kind of worthy achievement of the left. But neither is he merely an arrogant power-grabber in a political morality play. He is something else, something harder to define, primarily because his politics are poorly categorized by reference to categories of modern Europe. Specifically, it is more helpful to think of Rakowski in pre-modern terms: he is a kind of Red burgher who champions a *civic* conception of the PUWP and its relation to society that is more akin to a pre-modern city-state than it is to the modern nation-state. Thus, the Party is to become a freely associating body of political equals (not an administrative appendage to an autocratic First Secretary), secure inside its "wall" of political exclusivity, and surrounded by a loyal countryside of non-Party Poles who have all the *social* rights of citizenship—but are denied the full rights of political membership in the state.

Rakowski spelled out his vision for a reformed Poland in 1979, in a work whose title may be translated as *The Republic on the Threshold of the 1980s*. But the book did not pass the censors, and could only be published after the emergence of Solidarity. Rakowski is remarkably explicit. He acknowledges, for example, that Poland is socially and ideologically a pluralist country, and that the Marxists are in the minority (p. 173). He further acknowledges that the political opposition in Poland is a permanent feature of Polish political life (p. 163); and that, unlike the postwar political opposition, it *cannot be defeated by repression* (p. 168). Thus, the Party's political opponents must be confronted politically, or else Poland's social pluralism will express itself as political pluralism (p. 181.) Rakowski particularly fears that the nation's critical intelligentsia will win over the nation's youth entirely, and/or that the church and the lay opposition will unite in pursuit of their own party (p. 182).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In order to meet this challenge, Rakowski proposes that the PUWP be transformed from its current status as an excessively meddling administrative organization, full of careerists embarrassingly deferential to the autocratic leadership, into a political organization in which members have equal access to information, debate is open, the leadership may be challenged, and so forth. As the PUWP becomes "purer" and more "political," it can seek a "Partnership System" with society that ends discrimination of non-Party Poles in social and state life (p. 170), in part by giving greater independence to the PUWP's "window-dressing" allies (the Democratic Party and the Peasant Party) before these two organizations begin seeking a social support base of their own. Prior to, and after the destruction of, Solidarity, one could have dismissed these proposals as nothing more than "consultative authoritarianism." But it would have been a very radical turn of events if a "social contract" polity had been secured in the midst of Solidarity's political command of the non-Party nation.

It is a measure of Rakowski's influence that many of his proposals for garnering non-communist tolerance for Party rule are now being implemented. It is also a measure of the chronic political maladroitness of Poland's leadership that it is responding to its most recent disaster by anachronistically addressing the causes that led to it, rather than the larger consequences of it. To wit: once Poland's social pluralism has expressed itself as political pluralism, mere social recognition of the nation's plurality is not enough. But above all, it is a tragedy that Rakowski's civic conception of the Party did not result in some sort of *modus vivendi* with Solidarity and its civic conception of trade union membership during the summer of 1981, at least long enough to pull the country out of its economic nosedive; it was the country's economic collapse, ultimately, that created the conditions for the union's destruction.

V

The work of Jadwiga Staniszkis, a Polish sociologist, exhibits a mirror image of Ash's strengths and weaknesses. Her prose style is often obtuse, encumbered by a coded conceptual language from contemporary sociology that frequently obscures the exposition of her ideas.[39] It is unfortunate: *Poland's Self-Limiting Revolution* represents the achievement of a powerful analytical mind, combined with an extraordinarily keen

[39] One is grateful to Staniszkis's editor, Jan T. Gross, for his contribution in rendering the text as lucid as it is.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

political eye. Staniszkis's sense for the dynamics of power is on the order of a gift.[40] Reading her work, one gets the sensation of looking at a world-class political event through a pair of world-class political eyes.

Staniszkis's study is thus particularly valuable for its contribution to our understanding of the politics of both Solidarity and the PUWP, and of the political relation between the two. Her presentation of the inner dynamics of Solidarity is superb. Sensitive to the social differences within Solidarity, her analysis of the different political styles and aspirations of (1) Solidarity's national leadership, (2) its local and regional activists and 40,000-member staff, and (3) the union's rank and file offers a picture of the union's sociopolitical structure that is indispensable to comprehending its inner tensions and history. Staniszkis also provides valuable insights in her appreciation of how the union's long, self-conscious avoidance of an ideology inflamed rather than assuaged these differences. Further, her dissection of the two main factions to emerge at the union's National Congress into a "pragmatic" and "fundamentalist" camp, and her case that the pragmatists were actually more radical institutionally than the fundamentalists, is most apposite and illuminating.

Similarly, Staniszkis's analysis of Party politics is extremely instructive, and without equal in the literature. After reading, for example, her presentation of Kania's original attempt to divest the Party of responsibility for governmental actions, or her analysis of the changing role of the apparatus, one can never again sit still for typical discussions of the PUWP that begin with a superficial identification of "hardline," "liberal," and "moderate" factions, and conclude that there are no significant differences between any of them.

In this regard, one wishes that her book could actually serve to educate an elite American audience, thereby raising the level of debate in the United States on American foreign policy toward Eastern Central Europe. Reading Ash, for example, one can easily endorse a policy of unrelieved retribution toward Warsaw for the destruction of Solidarity, for such a response is emotionally gratifying. Reading Staniszkis, however, one begins to wonder why the U.S. stood so flat-footed throughout the Solidarity period, making no serious effort to rescue Jaruzelski's government with extensive economic aid while it was still trying to come to terms with the union. True, Ash rebukes the West for not doing more for Solidarity while it existed (p. 314), but his moralistic account

[40] Staniszkis attributes her admitted "preoccupation with power and manipulation" to the experiences of her generation. She was arrested during the March 1968 student protests, and spent nine months in jail. See her response to Bienkowski's criticism of her fascination with power (p. 312).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of the drama undercuts his case. (For example, if Rakowski actually went into negotiations with Solidarity in bad faith, what sense would there have been in trying to keep Jaruzelski's government afloat? Better to regard Solidarity as a noble but doomed attempt to bash a communist regime and let the Reds be stuck with picking up all the pieces once the effort expired—which is how the U.S. largely treated the affair.)

Staniszkis's account provides grounds for an alternative approach, one that would have sought to facilitate a compromise between the union leadership and Jaruzelski's government at the level of the "greater citizens," even though this would have had to come at the expense of the mass-democratic aspirations of the Polish population.[41] As a first-choice solution, this approach cannot be recommended, of course. But it is a sad fact of geopolitical life that the people of nations with limited sovereignty do not, as a rule, get their first choices. Perhaps it is better, therefore, for a great power like the United States to help in brokering second choices (in order to avoid worse alternatives, such as a "state of war")—especially when the rare opportunity to influence fluid events within the Soviet bloc presents itself.

Finally, a word must be said about Staniszkis's conceptual language, which may be the greatest weakness of her study. To take one example, Staniszkis labels both Gierek's regime and the current Jaruzelski order as instances of "bureaucratic authoritarianism" (using terminology from Juan Linz). The word "bureaucracy" is poorly chosen here. The term reveals a "level of analysis" confusion, wherein a concept composed at a low level of abstraction is mistakenly employed to refer to a phenomenon better categorized by a more abstract notion—in this case, "administrative staff."[42] In other words, not all administrative structures composed of "bureaus" are necessarily "bureaucracies"; the term "bureaucracy" refers to a very specific kind of *impersonal* administrative structure in which the "separaton of home from office" is central. In the case of Gierek's regime, no such separation was made, and no impersonal rules of administrative conduct prevailed. Rather, the Party and state administrative apparata became thoroughly corrupted into a *pre-modern* form of administration in which administrative offices degenerated into prebends: they came to be the personal possession of their officeholders, to be used for purposes of personal gain.[43]

[41] This is not to imply that Staniszkis endorsed such a policy. For her, Solidarity's solution lay in rank-and-file Solidarity activists making common cause with segments of the Party apparatus.

[42] See Giovanni Sartori, "Concept Misformation in Comparative Politics," *American Political Science Review* 64 (December 1970), 1033-53, at 1042.

[43] On the administrative corruption of the PUWP and the state under Edward Gierek—

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Jaruzelski, the aspiring, legalistic creator of a rule-bound Polish state, has set for himself the task of turning the nation's official sector *into* a bureaucracy, in the narrow but precise meaning of that term. Whether or not he can actually achieve this end without simultaneously recognizing his nation's aspirations for political pluralism is another question. But the viability of his policies cannot be seriously evaluated without first identifying, with conceptual accuracy, the nature of his goal.

In sum, to assess the current state of affairs in Poland, one needs a conceptual language that adequately addresses the pre-modern elements of Leninist polities as well as an unromanticized appreciation of Poland's past and current possibilities.[44] For as long as the Soviet Union exists, Poland is not yet lost *if*, and only if, reform communists also exist to influence Leninism's first case of nephew Bonapartism.

---

a corruption leading to the Party's loss of control of the state and the state's loss of control over the economy—see Paul G. Lewis, "Political Consequences of the Changes in Party-State Structures under Gierek," in Jean Woodall, ed., *Policy and Politics in Contemporary Poland* (New York: St. Martin's Press, 1982), 76-98.

[44] See Kenneth Jowitt, *The Leninist Response to National Development* (Berkeley, CA: Institute of International Relations, 1978).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE FIRST OIL REGIME

By LAWRENCE P. FRANK

Irvine H. Anderson, *Aramco, the United States and Saudi Arabia: A Study of the Dynamics of Foreign Oil Policy, 1933-1950*. Princeton: Princeton University Press, 1981, 259 pp.

Philip J. Baram, *The Department of State in the Middle East, 1919-1945*. Philadelphia: University of Pennsylvania Press, 1978, 343 pp.

William Stivers, *Supremacy and Oil: Iraq, Turkey and the Anglo-American World Order, 1918-1930*. Ithaca, NY and London: Cornell University Press, 1982, 207 pp.

Michael B. Stoff, *Oil, War and American Security: The Search for a National Policy on Foreign Oil, 1941-1947*. New Haven and London: Yale University Press, 1980, 249 pp.

Introduction

THE oil crises of the 1970s ended a distinct historical period in the control of oil. While the demise of the first oil regime is clear to all, the nature of that regime itself is less well understood. What, in particular, was the distribution of power among the actors in the regime? What were the structures and goals of this system during the long period (approximately the first seventy years of the twentieth century) during which petroleum became vital to industrial society and emerged as the most important commodity in world commerce?

The first oil regime was controlled by Britain, the United States, and the great energy corporations known as the Seven Sisters. Together, they developed procedures to regulate the production rates and price levels of petroleum.[1] Although this regulation was primarily conducted by consortia of private firms, it was based on the domination of the Middle East by Anglo-American political and strategic power. The regime served both national and corporate interests by providing a secure source of plentiful and cheap oil. In view of the common interests and extensive cooperation among these state and corporate actors, how can one distinguish the distribution of power within the regime? Was the regime controlled by powerful governments or by capitalist cartels?

Regime analysis brings both strength and weakness to the discussion of this question. Its strength lies in drawing attention to the functional character of regimes. Stephen Krasner, for example, notes that, "in a

[1] The best description of these procedures may be found in John Blair, *The Control of Oil* (New York: Pantheon, 1976).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

world of sovereign states, the basic function of regimes is to coordinate state behavior to achieve desired outcomes in particular issue areas."[2] In Robert O. Keohane's view, regimes achieve this coordination by "providing established negotiation frameworks (reducing transaction costs)" and by "helping to coordinate actor expectations (improving the quality and quantity of information available to states)."[3] Although these statements correctly describe the functions of the oil regime, they do not adequately identify the main participants. Private capital—the Seven Sisters—is ignored. The weakness of regime analysis, therefore, is that it fails to capture the interdependence of state and non-state actors, particularly private corporations.

Other writers, particularly neo-Marxist analysts, have been more interested in the relationship between state and corporate power. Some have adhered to an instrumentalist view, arguing that governments are subordinate to the classes that control production. In recent years, however, debates have developed among neo-Marxist writers concerning the "relative autonomy of the state." Although no consensus has emerged from this exchange, the relations of state and class are now perceived to be complex. Theda Skocpol, for one, has argued that this debate has not "arrived at the point of taking state structures . . . *seriously enough*."[4] She believes that

> a state's involvement in the international network of states is a basis for potential autonomy of action over and against groups and economic arrangements within its jurisdiction—even including the dominant class and existing relations of production.[5]

Skocpol's extension of the neo-Marxist debate leads back to the role of regimes. Regimes are, of course, a structured "involvement in the international network of states." They may indeed affect the relations of classes and governments, as Skocpol argues. In addition, however, the relations between private power centers and states may affect the operation of regimes. Indeed, the first oil regime, composed of both states and corporations, exhibits the complexity of this relationship and the shifting balance of forces that may exist, even within a long-lived and successful regime.

[2] Krasner, "Structural Causes and Regime Consequences: Regimes as Intervening Variables," in Krasner, ed., *International Regimes* (Ithaca, NY, and London: Cornell University Press, 1983), 7.

[3] Keohane, "The Demand for International Regimes," in Krasner (fn. 2), 155.

[4] Skocpol, "Political Responses to Capitalist Crisis: Neo-Marxist Theories of the State and the Case of the New Deal," *Politics and Society* 10 (No. 2, 1980), 199-200 (emphasis in original).

[5] Skocpol, *States and Social Revolutions* (New York: Cambridge University Press, 1979), 31.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The works reviewed here span a period of 32 years (1918-1950) during which British, American, and corporate power shared control of petroleum production and distribution. Throughout this time, cheap and secure oil supplies were assured, and the regime was unchallenged. The internal distribution of power among the major actors, however, underwent a shift in two dimensions. One was the decline of Britain and the ascendance of the United States as the leading state in world politics. The other was a concurrent increase in the autonomy of corporate power in the regime. These two adjustments were closely related. Although the United States became the stronger of the two powers, it was weaker vis-à-vis the corporate enterprises. During the apex of American hegemony, private capital dominated world oil as never before or since.

The relationship between the state and corporate power is a complex one. Both regime analysis and the neo-Marxist debate contribute to the understanding of this complexity. Dominance in a regime may shift among public and private actors, depending on specific historical circumstances. In the case of the first oil regime, the works under review show a strong contrast between two sets of state-corporate relations. One dates back to the 1920s, when the British government revitalized and manipulated the Turkish Petroleum Company (later Iraq Petroleum Company) for purposes of state. The other concerns the failure of the United States, in the 1940s, to assert control over the California Arabia Oil Company (CASOC, later the Arab American Oil Company, Aramco). In addition, the case studies show that the relatively weak position of the American state derived primarily from two internal characteristics: (1) great structural pluralism, and (2) an ideological orientation hostile to state autonomy. Of these two, structural pluralism is the more important and will be considered first.

Coherence of British Policy

In order to put the structural weakness of the American state in perspective, it is useful to note first the autonomy of government in Britain and the coherence in oil policy derived therefrom. In *Supremacy and Oil*, William Stivers discusses the "Anglo-American world order" from 1918 to 1930. It is clear that Britain was the major actor at this time, despite the fact that British power was overextended, particularly in the Near East. The imperial strategy was to bolster its militarily weak position by means of indirect rule in the empire, and by persuading the United States to assume "responsibilities" commensurate with its wealth and advantaged position. In trying to piece together a group of de-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pendents and allies, the British used oil as the prime instrument. By controlling and awarding access to Iraqi oil, Britain constructed a political order that remained centered on England. Thus, strategic issues rather than economic ones dominated the politics of oil at this juncture.

The vehicle that Britain used to apportion access to oil among its political clients was the Turkish Petroleum Company (later Iraq Petroleum Company). The T.P.C. was "a consortium of British, Dutch, and German capital, which had acquired purported oil rights in Iraq before the war" from the government of the Ottoman Empire (p. 27). Even though the T.P.C.'s postwar claim to Iraqi oil was dubious, the British chose to recognize and reconstitute the company as part of their efforts to stabilize their new Iraqi mandate. The first use they made of the T.P.C. was to persuade France to accept the new order in the Near East, essentially by transferring the former German portion of the company to France. At the San Remo conference of 1920, Britain agreed to

> place at the disposal of the French government a 25 percent shareholding, which could, however, be reduced to 18 percent to allow for native participation up to a maximum of 20 percent. As far as oil was concerned, France was now in league with Britain, and the United States was odd man out" (p. 45).

The United States vigorously protested the San Remo agreement; within two years, talks began with American oil companies to bring them within the consortium. The British recognized "that an injection of U.S. capital into Iraq would serve the larger purposes of British policy there" (p. 91). Stivers points out, however, that the State Department's "exertions came at the behest of private parties, who in fact held the practical initiative on the American side" (p. 113). The private parties in question were Jersey Standard and Socony Vacuum (later Exxon and Mobil). Eventually, an American group of companies led by these two corporations came to hold 23.75 percent of the T.P.C.

The British did not use the T.P.C. only to construct an imperial alliance, however. The company also provided the governments of Iraq and Turkey with vested interests in the new order. Thus, when negotiations between the T.P.C. and the mandate government of Iraq began in 1923, "advisers from the [British] Petroleum Department and the Colonial Office helped the Iraqi finance minister formulate a remarkably tough bargaining stance." Later, "Whitehall intervened repeatedly to force the company to yield before Iraqi demands" (p. 88). It turned out that Britain was as interested in the stability of its client state as in the profits to be derived from petroleum. Moreover, the British were able to mollify the government of Turkey, which had claimed the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Iraqi oil province of Mosul. Though Britain had resisted and contained Turkish nationalism after World War I, it agreed in 1926 to compensate Ankara for the failure of its Iraqi claims with an offer of 10 percent of Iraqi oil royalties from the T.P.C. for a 25-year period.

By 1928, Britain had reconstituted the T.P.C. into an elaborate mechanism binding together the major actors (both Western and local) in the region. While Britain allotted oil and royalties to its partners, it retained control of the regime. Thus, "the Iraqi oil fields had a commercial importance, to be sure. But for the statesmen whose major concern was preserving the British Empire, the strategic significance of holding the oil territory was the essential issue" (p. 105). While the private actors may have defined their circumstances and priorities differently, the British state was able to impose its view on other actors, both states and corporations. It was British strategy to accommodate corporate and other state interests where possible; in so doing, however, the British government remained the central actor.

A final example is the famous Red Line Agreement of 1928, under which the members of the consortium adhered to a self-denying regulation: no member of the T.P.C. (which held a monopoly over the most promising regions of Iraq) would procure concessions in any other part of the former Ottoman Empire (defined by a red line on the map), except in league with the T.P.C. The agreement worked to the advantage of the weaker partners in the consortium: the Compagnie Française des Petroles (C.F.P., owned in part by the French government), the American group of companies, and C.S. Gulbenkien. The strongest company, Anglo-Persian (later British Petroleum), "would have preferred to operate in its own right. Yet, under government pressure to ensure that the amalgamation succeeded, Anglo-Persian was not at liberty to press the issue" (p. 129). In sum, British oil policy in the Middle East after World War I exhibited a consistent strategy, a clear set of priorities, and state control of corporate actors. Such cannot be said of American policy a generation later.

U.S. Policies Thwarted

In the 1940s, the United States started to pursue an activist oil policy in the Middle East. Worried by the rapid depletion of domestic reserves during World War II and aware of huge deposits in Saudi Arabia, policy makers in Washington advanced three different schemes in 1943 and 1944. Their overall goal was to develop Arabian oil resources under

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

American control, making the oil available to the U.S. military in case of emergency and to European markets in normal times, thus decreasing demands on Western hemisphere reserves. The three tactics consisted of: (1) an attempt by the U.S. government to purchase stock in the California Arabian Oil Company (CASOC, later the Arab American Oil Company, Aramco), which controlled Saudi oil; (2) negotiation of an Anglo-American Petroleum Agreement, designed to regulate production in the Middle East; and (3) construction of a trans-Arabian pipeline by the U.S. government. All three efforts failed.

The complex histories of these policies are explained in detail in the volumes by Irvine Anderson (*Aramco, the United States and Saudi Arabia*) and Michael Stoff (*Oil, War and American Security*). Both are excellent works, covering much of the same material. Stoff's book concentrates more on state policy; Anderson's dissects corporate strategies more fully. These slightly different emphases result in one important difference of analysis, but the two books generally depict a similar struggle of pluralist forces for control of oil, resulting in a joint corporate-state policy in which "the government agencies involved were the weaker partners" (Anderson, 204).

The most dramatic of the attempts of the U.S. government to gain power over Saudi oil was the proposal, in 1943, by Harold Ickes, Secretary of the Interior and Petroleum Coordinator of National Defense, to create a federal agency, the Petroleum Reserves Corporation (P.R.C.) that would purchase all or part of the California Arabian Oil Company (CASOC), which controlled Saudi reserves. Ickes suggested that Saudi oil was so important to national security that direct government control was desirable. "When one turns to the question of *who* the Saudi concession should be protected *against*, it is surprising to find that the perceived enemy was Great Britain and the British-controlled oil companies" (Anderson, 40; emphases in original). This was indeed a dramatic shift. Only three years earlier, President Roosevelt had declined to directly subsidize the Saudi kingdom, which was facing a financial crisis. " 'Will you tell the British,' he wrote to an adviser, 'I hope they can take care of the King of Saudi Arabia. This is a little far afield for us!' " (Stoff, 54).

Ickes's proposal for federal control of Saudi oil surprised many, including the executives of Socal and Texaco, the parent companies of CASOC. Stoff records that the oilmen "reacted with astonishment and indignation to Ickes' proposal. ... 'I had literally taken their breath away,' Ickes confided to his diary" (p. 80). Socal and Texaco did not

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

wish to separate themselves from their huge Saudi concession, but they did face a problem in that they were unable to develop the field rapidly because of wartime conditions. Moreover, the Saudi reserves were so large that they exceeded the marketing capacity of the two partners. In addition, vast capital resources were needed to develop the fields. Socal and Texaco did want assistance, therefore, but they did not wish to be bought out. Eventually a tentative agreement was reached whereby the P.R.C. would buy a one-third interest in CASOC. In return, the P.R.C. would pay each parent company $20 million and finance the construction of a large, new refinery in Saudi Arabia.

At this point, however, negotiations collapsed and the proposal died. The cause of this collapse is the main point on which Anderson and Stoff differ. Stoff argues that Socal and Texaco were merely stringing Ickes along during the negotiations, and that they never intended to relinquish any portion of their lucrative concession. When agreement appeared near, the companies increased their demands for compensation, with the deliberate aim of causing the government to withdraw. Anderson's explanation is more complex. True, Socal and especially Texaco were bargaining hard, but, for the reasons mentioned earlier, they did wish to reach an agreement. He maintains that Ickes's withdrawal from the negotiations was prompted not by increased demands from the CASOC partners, but by pressure from other oil corporations. Specifically, immediately prior to the collapse of the talks with CASOC, Ickes received a visit from the president of Socony-Vacuum (Mobil), who argued that

> "his company and others in the foreign field didn't like the idea of government competition" and "... to go through with the deal would mean stirring up ... widespread political criticism" in the U.S. ... Ickes noted in his diary that he "could not but acknowledge ... that there was a good deal in what he said" (pp. 64-65).

Anderson's view, therefore, is that Ickes retreated before a threat from others in the oil industry, not CASOC. "Ickes' rather formidable power within the bureaucracy rested heavily on his close association with Roosevelt, which in turn was based on his proven ability to get results" (p. 63). Faced with the prospect of general non-cooperation from the oil industry, Ickes knew "when to fight and when to deftly change direction" (p. 63).

The prospect of direct P.R.C. participation in CASOC was resisted not only by the oil industry, but by other factions within government as well. Projects of this type "were anathema to [Secretary of State

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Cordell] Hull, who objected to such heavy-handed use of federal power" (Stoff, 80). More to the liking of the State Department was an alternative proposal to develop U.S. influence over Middle Eastern oil supplies: an Anglo-American Petroleum Agreement. The negotiation of this treaty, however, was complicated not only by Britain's suspicions of American motives, but by intense rivalry for control of the bargaining process between the State Department and the Petroleum Administration for War (Ickes with a revised title), though both agreed on the substance of the proposed treaty. The aim was to establish a Joint Petroleum Commission, composed initially of the United States and Britain, but potentially including other consuming and producing governments. The commission would monitor oil production and, although lacking regulatory power, would make recommendations to governments concerning production schedules. As in the case of the proposed purchase of equity in CASOC, the immediate aim of the American government was to promote production of Middle Eastern oil and its consumption in Europe, thereby conserving reserves in the West.

Though the competitive but combined efforts of the State Department and Ickes succeeded in negotiating two different drafts of the agreement with Britain, the treaty failed in the Senate, primarily because of opposition from domestic (as distinct from international) oil companies. The president of the Sun Oil Company "regarded the pact as another of Roosevelt's schemes to enlarge government, this time into 'a superstate cartel' that would threaten all of free enterprise" (Stoff, 182). Opposition was especially strong from the independents of the Southwest. The entire state of Texas (including local schoolteachers) seemed to be lobbying against the pact. When Ickes left the Cabinet in 1946 after an unrelated dispute with Truman, the treaty was stranded. Having lost control of the treaty-making process to Ickes earlier, the State Department was reluctant to accept responsibility for it. "Now the orphan is on our doorstep," an officer from State remarked. "Shall we smother it or adopt it?" (Stoff, 193). In the end, all ignored it, and eventually the pact was withdrawn.

The third tactic Ickes developed in order to gain influence over Middle East oil was the proposal for the P.R.C. to construct a pipeline from Saudi Arabia to the Mediterranean. Ickes conceived this as an alternate way to reach the goals that purchase of CASOC stock and the Anglo-American Petroleum Agreement had been designed to achieve: utilization of Saudi oil and a greater measure of U.S. government control of the production process. In return for the P.R.C.'s construction of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pipeline, CASOC in Saudi Arabia and Gulf Oil in Kuwait agreed to maintain underground reserves for the United States; they would guarantee preemptive purchase rights to the U.S. in an emergency, and would allow the U.S. to monitor and regulate oil sales to other governments. The pipeline proposal had a secondary function as well. The mere prospect of such an initiative would put pressure on the British during the negotiations for the Anglo-American Petroleum Agreement; Ickes called the idea a "blunderbuss shot" at British lethargy (Stoff, 132).

Except for the CASOC and Gulf participants, however, the American oil industry vigorously attacked the proposal, fearing competition from cheap Arabian oil. The president of the Independent Petroleum Association labeled the pipeline a "threat to national security," while the president of the Houston Oil Company called the project "fascist" (Stoff, 141). Both the independents and the major companies (again, except those participating in the project) "appealed to American laissez-faire ideology and created a storm of opposition in defense of their interests" (Anderson, 100). Ickes, as in the attempt to purchase CASOC stock, retreated before the inevitable and let the proposal lapse. After the war, and after the reorganization of CASOC/Aramco to include Jersey and Socony, the pipeline was built as a private venture.

In sum, despite a variety of unusually creative proposals, strong leadership from Ickes, and wartime emergency conditions, all three proposals to bring Middle Eastern Oil under the direct control of the U.S. government were unsuccessful. The failure of the United States to gain power over CASOC and the Arabian oil it controlled presents a striking contrast to the British government's manipulation of the Turkish Petroleum Company and Iraqi oil. The American government was less capable than the British of acting autonomously. The biggest handicaps the U.S. faced appear to have been its pluralist structure and wide diffusion of power among private and public actors. Ickes's proposals, for example, were more often resisted by the State Department than not. Indeed, the struggle for control over policy making between Ickes and Hull (and the departments they led) is one of the constant themes of both Anderson and Stoff. In the end, Ickes was not defeated by Hull, however, but by the private oil interests—always the independent companies and sometimes the majors—who saw his plans as threatening their autonomy and possibly their profits. Clearly, in the cases reviewed, private power could act much more autonomously and effectively than the government. After the war, a reorganized and expanded Aramco became the base of American oil policy in the Middle East. As Stoff concludes, private corporations, not the state, "became the agents of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

national policy because they could get the job done without the strains that attended public initiatives" (p. 208).

Ideological Constraints

The inability of the United States government to gain direct control of Middle Eastern oil did not derive solely from structural weakness and diffusion of power. Ideology also constrained American policy makers. As noted above, the private oil interests successfully mobilized opposition to the government's plans to ensure secure oil supplies by appealing to the general fear of oppressive state power. In addition, however, ideology acted as an internal constraint *within* the government. Especially in the State Department, commitment to the Open Door was based on normative as well as strategic concerns. Stivers notes, for example, that while State Department objections to British restrictions on oil development in Iraq were initially prompted by American oil companies seeking concessions there, the Department continued to object to the monopoly of the T.P.C. even after an understanding had been reached to include a group of American companies within the consortium. Thus, the American delegate at the Lausanne Conference of 1923 took "a position contrary to stated objectives of a powerful consortium led by Standard Oil," causing considerable frustration to the British and to oil company negotiators who presumed an understanding had been reached (p. 154). The U.S. Ambassador "argued over hypotheticals, leaving London in a quandary but implying no *real* grounds for dispute" (Stivers, 190, emphasis in original).

American (especially State Department) faith in the Open Door was, however, a real force. Throughout the period under review, the State Department never doubted that the national interest could be equated with maximum latitude for private enterprise and minimum governmental intervention in the world economy. Secretary of State Hull considered the promotion of free trade to be "his political raison d'être" (Stoff, 25). Anderson notes the "core belief in the efficacy of equality of political and economic competitive opportunity"; he argues that "State's response to requests for support in the 1920s and again in the 1940s was clearly influenced by this deeply ingrained organizational world view" (pp. 16-17).

Perhaps the manner in which this ideological orientation within the State Department operated as a constraint can be seen best in Philip Baram's *The Department of State in the Middle East, 1919-1945*. The book is itself limited by ideology. Although the author attempts to provide a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

general survey of the Department's policies and problems, he is clearly most interested in Zionism, toward which he is sympathetic. The anti-Zionist perspectives of State Department officials responsible for Middle Eastern affairs cause him anguish and limit his ability to discuss some issues clearly. Nevertheless, or perhaps even because his own approach to the region is an emotional one, Baram focuses on the ideological assumptions within the Department and illuminates the way in which these assumptions, like those of laissez-faire critics outside the government, weakened the state.

"In essence," Baram writes,

> the Department believed it could manage vast transfers of power, chiefly through the force of America's principles, example and the conveying of a great power presence. Such optimism, of course, combining naiveté and boldness, was and is a peculiarly American trait (p. 199).

In the Middle East in particular, Baram regards the Department's policy as anticolonial (British and French) and pronationalist (primarily Sunni Arab).

> Throughout the interwar period, it maintained a constant, though not high-pitched resistance, on principle, both to the unmistakable reality of British-French hegemony and to Britain's and France's galling claims that their hegemony was fixed and legitimate (p. 50).

Whenever possible,

> Foreign Service Officers ... intensified their direct dealings with the strongly nationalist Arab elites so as to promote friendly contacts, quicken the decline of European hegemony and put the United States in an advantageous position in the eventual post-imperialist period" (pp. 50-51).

The most striking aspect of this view is that the transfer of power to the United States appears natural and even inevitable. In large part, it is presumed to be due to the inequities perpetrated by the colonial powers on the one hand and, on the other, to the " 'reservoirs of good will' and moral credit among the Arabs" which were the result of a "century of good works in the region" by private American citizens and institutions (especially missionaries and educators) (p. 58). Thus, the Department came "to the conclusion that the United States, if it let nature take its course and did nothing rash, would almost *automatically* reap a profitable economic future in the Middle East" (p. 52; emphasis in original). An intruding factor appeared, however, which threatened the "natural" alliance between Washington's influence and Arab nationalism: Zionism. Insofar as the Arabs perceived the United States as sympathetic toward Zionism, American prestige and moral influence would suffer. Thus,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"while not in any official sense the enemy, the Jews in effect were regarded as Unofficial Adversary Number One in the Middle East, obstructing America's natural inheritance of hegemony" (p. 307).

Although Baram may exaggerate the role of Zionism, his discussion is useful in directing attention to the ideological basis of the State Department's essentially passive policies. Because of a peculiar emphasis on the influence of moral principles, the Department underestimated the significance of military and strategic power in the region. What is more significant for the present discussion, the Department's faith in the Open Door and the "natural" process of development failed to distinguish between political and economic interests in general, and between those of the U.S. state and American corporations in particular. Thus, the Department's opposition to Ickes's plans (such as the P.R.C. purchase of CASOC stock) was not only based on an institutional struggle for power within the government, but also derived from an ideological commitment to the efficacy and moral superiority of private power. Baram believes that this orientation did not cause great damage to the Department since it did achieve most of its goals in the region. Certainly, American corporations succeeded in maintaining control of Saudi Arabian oil throughout the first regime. Like the State Department officers he criticizes, however, Baram fails to distinguish between corporate and state interests. During the period under discussion and throughout the first oil regime, state and corporate interests did indeed coincide. The events of the 1970s, however, indicate that this situation was not an inevitable one. In retrospect, therefore, the State Department's ideological emphasis on the Open Door and on private control of Middle Eastern oil may have worked to the long-term disadvantage of the American state.

Conclusion

This essay began by questioning the nature of control within the first oil regime. What was the relationship of corporate to state power? Was it a regime of powerful states or one of corporate cartels directing governments? According to the books under review, the relationship changed over time. During the early part of the regime, British state power dominated the oil companies as well as Middle Eastern politics. During the latter part, the United States gained political hegemony. Due to its highly pluralistic governmental structure, diffusion of power, and ideological orientation, however, the American state did not dominate corporate power as the British had. Britain's initial control of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

oil regime and its manipulation of oil companies to serve state interests supports Skocpol's claim that state structures should be taken "seriously." In contrast, the American example is closer to the instrumental model in which private capital dominates the state and uses its services to advance corporate interests. All of Ickes's efforts to break out of this subordinate position during World War II were unsuccessful, and the postwar settlement left Middle East oil under corporate control. It was discovered, notes Stoff, "that oil companies were hospitable only to the species of government meddling that comes at the invitation of business and quickly falls under this control" (p. 27).

When the first oil regime and the era of cheap, plentiful oil ended, it was also discovered that the interests of American oil corporations and the U.S. government could fundamentally diverge, depending upon the distribution and availability of resources. The second oil regime, which emerged in the 1970s, was based on oil scarcity (rather than glut), high prices, and the increasing autonomy of producing states. The emergence of the OPEC regime caused the establishment of its opposite number by the major consuming governments: the International Energy Agency. The oil companies, however, found themselves with interests in both organizations. While it is far from clear that the present regime is stable, it is now evident that the United States has found it difficult to respond to these changes. Having previously depended on corporations to administer the first oil regime, Washington now lacks an effective negotiating framework. The weakness of the American position is not a function of capitalism. British policy of the 1920s showed that a capitalist state could control private producers in the Middle East. Rather, the weakness of the United States derives from particular structural and ideological circumstances. These circumstances limited U.S. autonomy in the first oil regime and their persistence continues to do so at present.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE PERSIAN GULF

By SHAUL BAKHASH

Shahram Chubin, ed., *Security in the Persian Gulf I: Domestic Political Factors*. Montclair, NJ: Allenheld, Osmun, for the International Institute for Strategic Studies (IISS), 1981, 104pp.

Robert Litwak, *Security in the Persian Gulf II: Sources of Inter-State Conflict*. Montclair, NJ: Allenheld, Osmun, for the IISS, 1981, 100 pp.

Avi Plascov, *Security in the Persian Gulf III: Modernization, Political Development and Stability*. Totowa, NJ: Allenheld, Osmun, for the IISS, 1982, 192 pp.

Shahram Chubin, *Security in the Persian Gulf IV: The Role of Outside Powers*. Totowa, NJ: Allenheld, Osmun, for the IISS, 1982, 180 pp.

Douglas R. Bohi and William B. Quandt, *Energy Security in the 1980s: Economic and Political Perspectives*. Washington, DC: Brookings Institution, 1984, 52 pp.

Alvin J. Cottrell, ed., *The Persian Gulf States: A General Survey*. Baltimore and London: The Johns Hopkins University Press, 1980, 736 pp.

Peter Mansfield, *The New Arabians*. Chicago and New York: Ferguson/Doubleday, 1981, 288 pp.

Tim Niblock, ed., *State, Society and Economy in Saudi Arabia*. New York: St. Martin's Press, 1982, 314 pp.

THE focus and context of the great powers' interest in the Persian Gulf has altered—often subtly, sometimes dramatically—since Britain established its hegemony in the region in the 19th century. Britain engaged in a lucrative trade, but primarily sought to protect imperial communications and the approaches to India. Today, it is oil that gives the region its strategic importance. For a number of years after World War II, Britain remained the paramount power in the area, maintaining maritime peace, handling the external affairs of the Gulf sheikhdoms, mediating local disputes, dominating trade. Since Britain's withdrawal from the Gulf in 1971, the situation has become somewhat more messy.

There is no longer a paramount external power in the Gulf. The United States has not quite replaced Britain; militarily, it remains a presence only "over the horizon." The Nixon-Kissinger plan to base Persian Gulf security on the "twin pillars" of Iran and Saudi Arabia collapsed with the fall of the Shah in 1979. The Soviet Union has established itself as an ally of Iraq and one of its chief arms suppliers. A dozen industrial states participate in the trade of the Persian Gulf. Meanwhile, the Gulf sheikhdoms have emerged as independent states, waxed rich, and developed minds and ambitions of their own.

The "management" of the Gulf has thus grown more complex even as developments have emphasized the importance of Persian Gulf oil

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to the West. In the early 1970s, the reliance of Western Europe and Japan on Gulf oil sources grew, and the United States became a net importer of oil. The 1974 explosion in the price of oil led to a vast and historically unprecedented transfer of resources from the industrial (and developing) countries to the oil-producing states. Between 1971 and 1980, exporters of Persian Gulf oil earned over $700 billion in oil revenues. The handling and recycling of these resources has continued to occupy international bankers during the last decade.

New riches turned the Gulf states into a vast market for Western goods, arms, manpower, and technology, and set off a scramble for lucrative contracts and trade. But, with the Iranian revolution of 1979, the security of oil supplies, of Persian Gulf markets, and of substantial oil revenues deposited with Western banks appeared to hang on the whims of crazed clerics, Islamic militancy, and the vagaries of the revolutionary mob. The Iran-Iraq war destroyed much of the oil-exporting capacity of Iraq and threatened to disrupt Persian Gulf oil supplies. Finally, the Soviet invasion and occupation of Afghanistan placed the Soviets closer to the vital source of Europe's energy supply.

This background helps to explain the focus of many recent academic and journalistic studies on the Persian Gulf states. The stability or instability of regimes and the security of oil supplies are the subject of some of the books and essays under review. They provide the underlying theme of several others. Of the four brief works published under the auspices of the International Institute for Strategic Studies (IISS), two deal with the impact of modernization and of domestic political factors on the stability of Persian Gulf states. The two others deal, respectively, with the sources of inter-state conflict and the role of outside powers in the region. Quandt and Bohi focus on energy security in the 1980s. The stability or instability of the individual states of the Gulf is an implicit concern in several of the essays in the collections under review, and even in Peter Mansfield's chatty book intended for the general reader. The authors of studies on the economics of the oil states find it difficult to ignore the social and political implications of the sudden injection of oil wealth into small and relatively unsophisticated economies.[1] I will examine the books under review as they address the issue

[1] See, for example, Robert E. Looney, *Saudi Arabia's Development Potential: Application of an Islamic Growth Model* (Lexington, MA: D.C. Heath, 1982); Ragaei El Mallakh and Dorothea H. El Mallakh, eds., *Saudi Arabia: Energy, Developmental Planning, and Industrialization* (Lexington, MA: D.C. Heath, 1982); Ragaei El Mallakh, *Saudi Arabia: Rush to Development* (Baltimore and London: The Johns Hopkins University Press, 1982); Ragaei El Mallakh and Jacob K. Atta, *The Absorptive Capacity of Kuwait: Domestic and International Perspectives* (Lexington, MA: D.C. Heath, 1981). These books provide a wealth of statistics

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

at three overlapping levels of analysis: at the level of individual Gulf states, at the regional level, and in the larger international context.

The Individual States

Although there is little disagreement that the Gulf states are undergoing a far-reaching transformation, the consequences of this transformation appear less clear. The authors identify similar problem areas: sudden wealth, the sheer pace of industrialization and economic development, a clash between Western and traditional lifestyles and values, large and unassimilated immigrant communities, new social classes without a share of power, the absence of representative institutions, irresponsible ruling classes, corruption, and a host of other issues. Consider the impact of oil revenues alone. The oil income of Saudi Arabia multiplied more than 50 times in the course of a decade, from $1.9 billion in 1971 to over $100 billion in 1980. Qatar's revenues rose from $200 million to over $5 billion in the same period—and this in a country where, as Peter Mansfield remarks, the ruler could easily address the entire population (of 170,000) in the new sports stadium outside the capital. Kuwait was rare among the Gulf oil-exporting states in imposing a voluntary ceiling on oil exports, husbanding its resources and carefully investing part of its revenues abroad. Bahrain, with low reserves, falling production, and a fairly modest trickle of increments in oil revenues, pursued a more measured path of economic development out of necessity.

The other Gulf oil exporters—spurred on by ambitious rulers, an upper class growing rich on oil-financed economic growth, a bureaucracy geared to spending oil money, and foreign firms and governments eager to sell the oil states everything from anti-aircraft missiles to Coca-Cola and from steel mills to couturier clothes—launched themselves on massive development and purchasing programs. (One enterprising firm even proposed to haul an iceberg from Antartica to help supply a parched Gulf state with water.) Saudi Arabia's first five-year development plan (1970-1975) involved expenditures of $23.4 billion; its second (1975-1980), $142 billion; its third (1980-1985), around $250 billion. Iran, with a more sophisticated economy and a population five times the size of Saudi Arabia's, erupted in revolution under the strain of attempting to spend

---

and information on development plans, industrial projects, laws regulating foreign investment and the like, and point to some of the problems of development faced by countries rich in funds but lacking in expertise, manpower, and infrastructure. But for the most part they project, in each case, the relevant government's own vision of its economic plans and activities. Although full of facts, they fall somewhat short on analysis.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sums about half as large in a similar rush for development. "Few societies," Chubin remarks in the introduction to his edited volume, "can absorb the massive concentrated infusion of money without consequent strains on value systems, pattern of social organization and resultant stability" (p. xiii).

The economic boom attracted technicians from the West, and clerks, teachers, accountants, hotel staff, mechanics, managers, and workers from the Arab states, southeast Asia, and countries as far away as Korea. Peter Mansfield noted during a stay in Jiddah, Saudi Arabia, that

> the [hotel] receptionist was Lebanese, the hall porter was Sudanese, the room waiter was a Malaysian in the morning and a Filipino in the evening, lunch was served by an Egyptian, dinner by a Syrian, and the attendant at the swimming pool was from Bangladesh. Yemeni and Pakistani construction workers were building an extension to the hotel under a Palestinian foreman. When I came to leave, a Jordanian made up the bill. But it was a Saudi Arabian who drove me to the airport because taxi driving, like the army and police, is reserved for nationals (p. 179).

Foreigners frequently outnumber the native population. In Saudi Arabia nearly half the labor force, and in Kuwait over half the population, is foreign. It is estimated that in the United Arab Emirates (U.A.E.), the federation of seven small sheikhdoms formed in 1971, 75 percent of a population of around 900,000 are non-nationals. Despite a system of quotas, visa and work permit requirements, and barriers to permanent residence or property acquisition, as well as the oft-announced determination of the local governments to cut down on foreign labor, these numbers have continued to grow. The Gulf states are thus in the unhealthy position of depending on foreigners to staff technical and skilled jobs; since the Gulf Arabs are disdainful of heavy labor, the majority of construction and low-paid workers is also from abroad.

Denied citizenship and equal access to jobs and social services, the foreign workers, according to some authors, have come to constitute an economic underclass, a potential source of political unrest. We are told that the Asian workers live under "appalling conditions" (Plascov, 75). A two-class system, favoring the native citizen against the often more productive immigrant, is likely to be perpetuated (Chubin, 1981, xii-xiii); in turn, the foreign workers may organize to further their own interests at the expense of the host country (Allan Hill in Chubin, 1981, 69).

Ethnic, religious, and national differences are seen as exacerbating these problems. The large community of Palestinians, according to several authors, is disenfranchised and discontented. Others see the Shi'ite

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

minority in Bahrain, Saudi Arabia, and elsewhere in the Gulf as a source of future trouble. A disadvantaged element in predominantly Sunni states, the Shi'ites were the target of Iranian propaganda in Kuwait, tried to overthrow the government (the plotters were few in number) in Bahrain, and rioted in the eastern province of Saudi Arabia.

In addition, most of the authors agree that representative institutions have not been a great success in the states of the Persian Gulf. A constitution and a consultative council were routinely promised in the aftermath of several political crises in Saudi Arabia, only to be shelved once the crises had passed. Bahrain suspended its parliament in 1975, only 20 months after it was first convened. Kuwait suspended its parliament in 1976, and tentatively reverted to the parliamentary experiment in 1981. According to Plascov and others, Gulf governments face increasing pressures for participation from an emergent middle class, the new technocracy, the immigrant population, and ethnic minorities.

Several of the authors consider the hectic pace of industrialization—the process of modernization itself—to be the greatest challenge to the Gulf states. Chubin, in a summary to which several of the other writers would subscribe, notes that the modernization process is "inherently stressful," and may undermine the loyalties of traditional constituencies, alienate the power base of the ruling class, feed dissatisfaction, and lead to a coalition of forces committed to replacing the government (Chubin, 1981, p. xii).

Add to this the corruption of ruling families and elites, maldistribution of wealth, and dynastic instability: according to at least some of the studies under review, you have the formula for a major upheaval. The late Avi Plascov depicts the future in almost apocalyptic terms. A few quotations will catch the flavor of this vision. He speaks of "cornered dynasties," believes that "Islam itself could become a destablizing force," and sees an "explosive mixture" in American support for Israel, resentment of the West, and the search for Islamic authenticity (pp. 24-25). Ethnic conflict, he tells us, could lead to "the disintegration of existing states" (p. 55); urbanization contains "the seeds of political upheaval" (p. 65); education of new classes breeds dissatisfaction and unrest (pp. 81-84); and military modernization may prove to be a two-edged sword, for the troops may decide to overthrow their own governments (p. 111).

In an essay on political institutions in Saudi Arabia, Kuwait, and Bahrain, Arnold Hottinger takes a similarly pessimistic view. He believes that Bahrain, with its slower pace of development, and Kuwait, with its better distribution of wealth, may avoid the more serious problems

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

plaguing the Gulf states. But he finds the prospects dim for Saudi Arabia, where the split between rich and poor, and resentment at the wealth, corruption, and life style of the ruling class may cause opposition elements to coalesce around the army in order to overthrow the regime. In his opinion, disorder in Saudi Arabia will, in turn, destabilize the other Gulf states (Chubin, 1981, pp. 17-18).

It is a measure of the prevailing uncertainty over the future of the Persian Gulf states that other authors take stock of the same set of problems and reach dramatically different conclusions. Alongside the doomsayers and pessimists there are enthusiasts as well. Mansfield and several authors of individual essays in the volumes edited by Niblock and by Cottrell argue that the history of the Gulf states over the past decade has been one of fairly successful coping rather than of unmitigated disaster. They note that in Saudi Arabia, the succession has been smoothly managed by the princes of the royal house on three occasions. The threat from discontented Shi'ites in Bahrain and elsewhere has not materialized, in part because of repression and in part because of the timely mitigation of grievances. The revolutionary threat from Iran has been contained. With the exception of the Iran-Iraq war, territorial conflicts between Gulf states have been resolved or momentarily shelved. Led by Saudi Arabia, the smaller sheikhdoms have begun to cooperate on security and defense matters through the recently established Gulf Cooperation Council (G.C.C.).

Mansfield is decidely upbeat about the future prospects for Saudi Arabia, Kuwait, Bahrain, Qatar, and the members of the U.A.E. There has been much waste in the application of oil wealth; but he sees considerable economic progress alongside the wrong-headed splurging. While others regard the immigrant workers as a source of political instability, he finds the foreigners for the most part an apolitical lot and unlikely to unite to demand political rights. The Palestinians, he says, have as great a stake in steady employment, order, and stability as the nationals—whether in Saudi Arabia, Abu Dhabi, or elsewhere. Plascov considers the imperfectly urbanized and integrated desert bedouin a threat to stability; Mansfield finds that many of them are making the transition from the desert to urban life with the greatest of ease. In the economic sphere, Michael Field (in an essay in the volume edited by Chubin), argues that prospects for heavy industry look brighter, light industries established by the private sector appear more viable, and Gulf countries are adopting more realistic fiscal and social welfare policies.

In an essay in the Niblock volume, John Duke Anthony maintains that the Gulf rulers have proved themselves to be "resilient and re-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sponsive" to the strains of change. They are more accountable and responsive to the needs of their citizens, he says, than other regimes in the Middle East, including those based on the Islamic Republic and "revolutionary free officers" models and those associated with Western-style democracies (Niblock, 169). Ralph Magnus, another essayist, carries this line of reasoning to its logical conclusion. He argues that the Gulf states over the last decade have so successfully reconciled their traditional heritage with the needs of the present that they have emerged as a "plausible model" for other Middle East states (Cottrell, 370).

These widely disparate conclusions (there are essays that fall between the two extremes as well) do not stem from access to different sets of data. Most of these writers draw on the same pool of information. Nor do the different assessments stem from differing analytical tools. The authors, by and large, eschew models and explicit theory and take a fairly empirical approach to their subject.

The difference basically comes down to one of judgment. Some of the authors are mindful of the Iranian example and struck by the immense strains evident in Gulf societies; they conclude that the Gulf states face upheaval or at least serious disruption. Others note that, so far, the Gulf states have managed their affairs reasonably well, and therefore conclude that they are likely to manage in the future also. A number of the authors adopt a middle position of guarded optimism or qualified pessimism: the Gulf states may get through the next decade unscathed, but much will depend on the skills of individual leaders, the sagacity of local and outside powers, and luck.

It may well be that a better understanding of Gulf societies will not appreciably deepen our ability to predict the probable course of future developments in the region; nevertheless, there are some areas where further research seems desirable.

There is a certain lack of historical perspective in much of the material under review, as well as a dearth of sources that might serve as the basis for sounder analysis. In two thoughtful essays on the Persian Gulf in the 19th and 20th centuries and on the history of the role of England in the Gulf over the last 200 years, Malcolm Yapp (Cottrell, 41-69 and 70-100) depicts Persian Gulf societies as evolving entities; their history did not begin on the day oil was discovered by the West. Few of the other authors writing on the contemporary Persian Gulf display a feeling for this past history or are able to bring a sense of the past to bear on the understanding of the present.

Second, often through no fault of the authors of the books under review, there are large gaps in our knowledge of Persian Gulf society.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In a region of the world where the personal element predominates and where a small city-state, in Mansfield's words, "can be run as a large family business" (p. 137), there is surprisingly little information on the ruling dynasties or elite families. We are told repeatedly that power in Saudi Arabia rests with the ruling family, the tribal chiefs, the leading businessmen, and the clerical leaders. But, except for scattered references, there is almost no attempt to analyze these groups. Religion is said to be a growing force, but we learn little of the content of the Islam that is supposedly serving as a vehicle for the expression of dissidence. The immigrant workers are seen now as a disruptive force, now as communities with a stake in the status quo; but we are left in the dark concerning the social organization of immigrant communities or their political aspirations. Nowhere can we learn what Gulf Arabs are reading, or what they are hearing in mosque sermons. While the books make a beginning at answering some of these questions, a great deal of research clearly remains to be done.

The Regional Context

Over the last decade, the United States has devoted much attention to ways of meeting external threats to the region. As Chubin points out, however, the greatest threat to stability in the Gulf in recent years has come from the Iranian revolution (an upheaval rooted in domestic Iranian politics) and the Iran-Iraq war (a conflict rooted in regional politics).

The source of inter-state conflict in the Gulf is the subject of Robert Litwak's sensible book. Litwak provides an account of boundary disputes, irredentist claims, disagreements involving the continental shelf, and dynastic rivalries among the countries of the region. He explains the terms of settlement where agreements have been reached, and examines possible sources of conflict where they have not. He concludes by offering some general observations on the nature of inter-state conflicts in the region.

A wide range of disputes have led to open conflict in the past and may lead to hostilities in the future. Yet Litwak also points out that, the Iran-Iraq war aside, the Gulf states have managed to avoid a major conflagration over these issues. During the past decade, a large number of continental shelf agreements have been signed and borders delineated. Irredentist claims have either been abandoned (Iran's claim to Bahrain) or put aside (Iraq's claim to Kuwait). Where boundary disputes could not be settled, a form of joint sharing has been arranged (the Buraimi oasis and the Neutral Zone). Sporadic conflict between Yemen and Saudi

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Arabia has been contained. Although the Shah in 1971 seized three small islands in the Gulf, and Saudi Arabia has exerted pressure on the smaller sheikhdoms, on the whole these two states exercised their superior power fairly responsibly before the revolution made Iran more adventurous. Iran, Iraq, and Saudi Arabia had even begun to discuss cooperation on security matters in the Gulf before the collapse of the Pahlavi regime.

From this perspective, the scale, intensity, and duration of the Iran-Iraq war represents a break in the recent pattern. Until 1975, friction between Iran and Iraq had led to sporadic border clashes, but not to sustained fighting. The Algiers agreement, concluded between the two countries in 1975, appeared to settle disputes over the frontier, navigation on the Shatt al-Arab, and Iranian assistance to Iraq's rebellious Kurds. But the Iraqi President, Saddam Hussein, had always regarded the Algiers agreement as a humiliation for his country. The Iranian revolution appeared to present him with the opportunity to right an old wrong, win a strategic advantage for Iraq, deal a blow to Iran's revolutionary government, and enhance his personal standing in the Arab world. When he sent his troops into Iran in September 1980, he mistakenly anticipated an easy victory. Since then, the war has been fueled by Iran's desire for adequate satisfaction and its ideological zeal, the ambitious fantasies of leaders on both sides, the easy availability of oil money to fund the war, and Khomeini's personal animosity toward Saddam Hussein. It is a war that has wreaked immense damage on the economic infrastructure of the two countries and has already cost more lives than all Arab-Israeli wars together. It is unlikely to be settled soon, probably not in Khomeini's lifetime.

Is there a broader lesson regarding the Persian Gulf to be learned from the Iran-Iraq war? Litwak's conclusions regarding the war (which was in its early stages when he wrote the book) and other regional conflicts are properly cautious and modest. He notes that in Gulf conflicts, domestic and regional politics are often intertwined, and domestic considerations may fuel or complicate regional disputes. Because the region is strategically important, regional conflicts may involve outside powers. He also notes that changes of regime (as in Yemen or Iran) may reopen issues that were believed to have been settled. Finally, he finds that conflict is more likely between different types of regimes (for example, radical republics as against monarchies) than between broadly similar ones (for example, sheikhdoms).

It is possible to modify or amplify these observations in light of the later stages of the Iran-Iraq war, but, again, the lessons are empirical ones rather than contributions to any broad theory. Litwak argues, with

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

justice, that in ideologically motivated disputes, the political objectives of the belligerents may override more limited territorial aims. That is no doubt the case in the Iran-Iraq war. To some degree, also, the fact that the problem between Iran and Iraq, as Litwak contends, is "structural"—in the sense that each side regards the nature of the other regime as inherently threatening—makes settlement difficult and a resumption of hostilities at some future date possible. On the other hand, to describe the dispute over the Shatt al-Arab as merely the *occasion* rather than the *stake* in the dispute (Litwak, 95-96) is to overlook the vital importance of the Shatt to Iraq; concrete, strategic interests are at issue as well.

An interesting feature of the war is that, general fears to the contrary, it has not sucked in other regional states. Saudi Arabia and the Gulf sheikhdoms purchased Saddam Hussein's goodwill by "lending" Iraq upward of $30 billion. And, despite its blustering, Iran has been reluctant to involve other Gulf states.

The great powers have been indirectly involved in the war as suppliers or withholders of arms, but not strictly in keeping with the adversarial pattern we have come to expect from the Arab-Israeli conflict and the crises in Yemen, Lebanon, and elsewhere in the Middle East. The Iran-Iraq war may be one of the few cases of Third World disputes in which the United States and the Soviet Union did not support opposite parties, and even ended up backing the same side. In the first week of the war, Washington and Moscow agreed to observe neutrality. The Soviet Union from the beginning sought an early end to the war, suspended arms supplies to Baghdad in the first months when Iraq appeared to be winning, and resumed arms shipments in 1982 when Iran reversed the tide of the war and began to threaten the Baghdad regime. The U.S. initially maintained a broad neutrality, but as the war shifted in Iran's favor in 1982-1983, Washington helped stem the flow of arms to Iran, thereby limiting Iran's war-making capacity. By strengthening Saudi Arabia's air defenses and "tilting" toward Iraq (and even reestablishing diplomatic relations), the U.S. also raised the stakes for the Khomeini regime and acted to prevent an Iranian victory.

The International Context

Outside powers are involved in Gulf affairs as suppliers of arms, buyers of oil, sellers of goods, and providers of technology and expertise. In attempting to use client states to further their own ends, they extend diplomatic and sometimes military support to their allies. Chubin's examination of the role that outside powers play in containing or exac-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

erbating conflict in the region focuses particularly on arms transfers and military power as sources of great-power influence in the region. He examines three "case studies": U.S. arms transfers to Iran and to Saudi Arabia, and Soviet arms transfers to Iraq. He attempts to extract some general propositions concerning arms transfers from these cases and to analyze more broadly the military balance of the great powers in the Gulf.

His conclusion is that arms transfers give the supplier country far less influence over the recipient than is generally supposed. On the contrary, his case studies suggest that "recipient influence" is just as likely to develop from an arms transfer relationship. Recipient influence, he rightly notes, stems in part from the symbolic value of the arms relationship, because denial of arms is often read as a withdrawal of political support. In part (although Chubin does not make much of this) recipient influence stems from the ability of the Gulf states to pay hard currency for their arms purchases.

Chubin points out that, in the case of Iran, the Shah was able to influence the terms of the arms relationship. Moreover, after the Islamic revolution and even after the outbreak of the Iran-Iraq war, Iran's dependence on U.S. sources of supply did not prevent Iran from taking a hostile attitude to the United States. Iran had an ample supply of spare parts (the Shah had been determined to avoid Pakistan's predicament during the Indo-Pakistan war, when the U.S. failed to support its CENTO ally); it went to the open market for arms; and it continued to display a marked hostility to the United States even when other sources of supply dried up. The U.S.-Saudi relationship, Chubin persuasively argues, involves much more than arms. Any American influence in Riyadh, or Saudi influence in Washington, derives from the overall relationship rather than from arms transfers alone.

In the case of Iraq, the Soviet Union gained some leverage in Baghdad between 1958 and 1972, when Iraq's relations with the West were strained, the U.S.S.R. was the country's exclusive arms supplier, and there was a convergence of views between Moscow and Baghdad on a wide range of international issues. Even during this period, however, Soviet ability to manipulate the policies of the Iraqi regime was strictly limited, and Soviet influence was quickly dissipated as the Baath regime strengthened its domestic position, grew more pragmatic and less ideological in its foreign policy, gained room for maneuver by virtue of higher oil revenues, and began to diversify its sources of arms. Neither the U.S. nor the Soviet Union, Chubin suggests, was able to prevent the outbreak of the Iran-Iraq war or to bring it to a peaceful conclusion.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Chubin's view—that supplier influence is greatest when one outside power is the exclusive source of supply, and under conditions where the recipient country is under duress—is borne out by the course of the Iran-Iraq war. Still, outside powers have played some part. Iran's ability to carry the war into Iraqi territory was considerably diminished in 1983-1984 when the United States was able to persuade its allies to refrain from resupplying Iran. The U.S. loan of AWACS aircraft to Saudi Arabia helped to prevent Iranian attacks on Saudi shipping during the "naval" phase of the war. Meantime, French and Soviet arms supplies to Iraq strengthened Iraqi defenses and may account for the present military stalemate.

It was, of course, the willingness of outside powers to supply sophisticated arms in huge quantities that allowed Iran and Iraq to wage such a destructive war in the first place. Since it is highly unlikely that the superpowers and others will agree to restrict arms deliveries to the Gulf states, it is the military *balance* that Chubin emphasizes. "Iran, militarily weak," he writes, "proved a far more destabilizing regional force than ever was the case when the Shah's legions were intact" (p. 35). He thus stresses the necessity for maintaining the regional military balance. At the same time, while he sees benefit in regional cooperation for purposes of defense or to ensure regional stability—for example through the G.C.C.—he finds that such arrangements can have only limited value. It was the United States that had to step in and defend Saudi Arabia against possible Iranian attacks: "The Gulf War . . . has underlined that even in regional conflicts there may still be no substitute for defense links with an outside power" (p. 157).

Chubin argues that the United States, as an outside power, and particularly in its relationship with Saudi Arabia, must remain sensitive to the realities of domestic and regional politics. It must perceive that there is a political dimension to economic development, and remain aware of the impact of unrestrained modernization on traditional power structures, values, and the fabric of society. Nevertheless, he returns, as always, to the military dimension of the relationship. "A pre-condition for any influence," he writes, "is military power" (p. 13).

Military power, he believes, has become all the more important in the wake of the collapse of the Iranian monarchy. Iran can no longer contribute to maintaining security in the Gulf. Moreover, the fall of the Shah has inaugurated a period of "unregulated competition" between the United States and the Soviet Union in the region, characterized by a "much closer coupling between regional conflicts and global competition," when "even the smallest tremors have the potential for con-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

frontation between the two blocs" (p. 116). One might argue that the experience of the last five years does not suggest as close a link between regional conflicts and great-power confrontation as this analysis would indicate.

Nevertheless, in view of the Soviet threat to the region and the possibilities of regional instability and conflict, Chubin argues for advancing the capacity for flexible military response, maintaining the regional military balance, encouraging local arrangements for regional defense, enhancing the military capacity of pro-Western states in the area, and developing the feasibility of military intervention through the Rapid Deployment Force or similar arrangements. He also sees possibilities, albeit limited ones, for agreement between the superpowers on regional conflict management, while emphasizing that such arrangements cannot be divorced from the global power balance.

It has been convenient to leave for last the study by Douglas Bohi and William Quandt. Focused on the security of energy supplies, it touches on many of the issues we have been considering. Though brief, it is comprehensive in its coverage. Over the last four years, the Brookings Institution and Resources for the Future have conducted a wide-ranging examination of the political and economic dimensions of energy security in the 1980s. Bohi and Quandt summarize the result of this research and tie together the findings of a number of other books and reports. The essay is concise and clear, and the conclusions the authors reach are stated forthrightly and with precision.

Four broad conclusions emerge from this study. First, the authors argue that the structure of the oil market has changed significantly over the last decade, largely as a consequence of the energy shocks resulting from the Arab-Israeli war of 1973 and the Iranian revolution of 1979, and from the (generally successful) attempt by the Persian Gulf producers to take control of their domestic oil industries and such matters as production and pricing levels.

Bohi and Quandt find (as indeed is now widely accepted) that the OPEC states at present have far less leverage in determining oil prices and supplies than they had in the decade after 1973. The industrial states—the major consumers of OPEC oil—have reduced their reliance on Gulf sources of supply. They have altered the mix of energy they use, so that oil accounts for a smaller share of the total consumption, and they have increased the efficiency of energy use. New sources of oil are being utilized, both in the industrial states and in Third World countries. Falling prices, a shrinking market, rising revenue needs, and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

political rivalry ensure price and production competition among the OPEC states themselves. The OPEC states may well capture a larger share of the refined-products market in the future, but this too is likely to involve them in competition and price cutting. The rising importance of the spot market, the gradual emergence of a futures market in oil, and experience gained by oil companies and traders over the last few years will enhance flexibility in the oil market and the ability to allocate supplies efficiently during crises. The authors conclude that while future oil shocks cannot be ruled out, they will be less intense and of shorter duration than those of the recent past.

Second, the authors predict that future oil shocks are not likely to emerge as a result of economic decisions taken by the OPEC states—due to loss of control over the market—but as a result of military conflict and political upheaval. But here, too, they consider the dangers of a disruption of energy supply to be greatly diminished. They believe that only the withdrawal of Saudi production from the market would confront the West with serious problems. They do not rule out the possibility of domestic turmoil in Saudi Arabia, but they think it unlikely; and they do not believe that most types of possible political change will have a significant impact on oil policy. "One Saudi prince," they write, "is just about as likely as any other to keep the oil flowing on about the same terms, at least so long as a relatively soft market persists. And a nonroyal regime would also need large infusions of revenue and would seek to market oil" (p. 38). The impact of political change in Saudi Arabia, say in the 1990s, would be greater if it coincided with tight markets.

The authors also argue that in a future Arab-Israeli war, another collective boycott of the U.S. is unlikely; in any case, its impact would be limited. The Lebanon war of 1982 did not lead to such a boycott or even to the threat of one; Arab solidarity has been weakened, and oil markets remain soft. Again, the impact of an Arab-Israeli war in the late 1980s and early 1990s may be greater under tight market conditions, "but the chance of a repeat of 1973 anytime in the next few years is very remote" (p. 39).

The authors believe that dangers to the oil supply which might arise out of the Iran-Iraq war are also limited. An attempt by Iran to close the Straits of Hormuz could be countered by U.S. action. Although oil installations in Kuwait and Saudi Arabia are vulnerable to Iranian terrorist attacks, Iran lacks the means to launch air strikes on the scale necessary to cause extensive damage to Saudi and Kuwaiti oil facilities. A more serious long-term danger to oil supplies (again considered un-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

likely) would stem from a shift in the fortunes of war which would give Iran a politically commanding position in the Gulf, permitting it to intimidate Kuwait and Saudi Arabia and to impose price and production discipline on the Gulf states.

Third, the authors conclude that there is no imminent Soviet threat to Persian Gulf oil supplies. Some analysts contend that the Soviets may seek access to oil in the Persian Gulf and North Africa to meet their own and their allies' needs as their output declines at home. But, drawing on another Brookings study,[2] Bohi and Quandt argue that the Soviet Union's overall energy balance is likely to remain favorable well into the future. If the Soviets seek control over Persian Gulf oil, it will be for strategic, not economic, reasons; in this, they are likely to be deterred by the threat of nuclear war and the global military balance. The authors also approve of the European states' purchase of Soviet gas. They argue that dependence on foreign sources of energy is inevitable for Europe and Japan. "The point is to keep dependency from creating vulnerability" (p. 44). Purchases from the Soviet Union will diversify sources of supply and keep prices down. In a competitive market, the U.S.S.R. will have to develop a reputation for reliability in order to be able to sell.

Finally, the authors consider policies that will ensure the security of energy supplies for the Western alliance. They argue, as does Chubin, for maintaining the global military balance, developing means for direct military intervention in the Gulf, and enhancing the ability of other regional states—such as Jordan, Pakistan, Egypt, and Turkey—to contribute to the military stability of the region and to restore the flow of oil if it has been interrupted.

They favor steps by the United States—such as military and economic assistance—that would enhance the stability of key oil-exporting countries, such as Saudi Arabia, Mexico, and Nigeria, as well as a group of second-echelon states such as Venezuela, Indonesia, and perhaps Iraq; this formula remains a vague if essential instrument of policy. At the same time, they note that "the dangers and uncertainties accompanying any sizable disruption of oil supplies are so great that it is worth major diplomatic efforts to forestall their occurrence" (p. 40). To this end, they give high priority to a diplomatic solution of the Arab-Israeli conflict, the problems of Lebanon, and the Iran-Iraq war, and urge steps to limit the appeal of militant Islam.

Pragmatic solutions, good management, sensitivity to the complicated

[2] Edward A. Hewett, *Energy, Economics, and Foreign Policy in the Soviet Union* (Washington, DC: Brookings Institution, 1984).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nature of domestic and regional problems in the Persian Gulf, and military preparedness are emphasized by both Chubin and Bohi/Quandt. The latter, in a remark that Chubin would no doubt endorse, state that "diplomacy, backed by credible force, will still be an essential ingredient of American energy security in the 1980s" (p. 47). The differences in the conclusions of these two studies lie in the fact that Chubin sees a more direct link between regional and global conflict than do Bohi/Quandt, and appears to view the Soviet threat to the region as more immediate. Chubin also considers the disruptive effects of domestic and regional unrest to be more threatening. While, he, too, examines the range of levers the West must bring to relations with the Persian Gulf states, his emphasis on the military posture is more pronounced.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

N E B R A S K A

Food, Politics, and Society in Latin America
Edited by John C. Super and Thomas C. Wright

Examining the politics and social implications of food, this collection of ten original essays addresses a largely unexplored but vital element in the dynamics of Latin America's history and contemporary life. The authors emphasize the importance of politics in determining patterns of food production and distribution, and ultimately in reinforcing or transforming social structures by affecting levels of food consumption and nutrition.

ca. 280 pages. Notes, tables, graphs, index.
ISBN 0-8032-4137-2 **$22.95**

UNIVERSITY OF NEBRASKA PRESS
901 North 17th Lincoln, NE 68588

WORLD OF SUPERPOWERS

Robert North, Nobutaka Ike, Jan Triska
Stanford University

This book approaches international relations from the perspective of the superpowers. Together they account for a large part of the world's territory, population, production, military power and overall exercise of influence. The superpowers form a system of recurring patterns of interactions that are rich in structure and large in volume. This is an important world. Revised ed. Price: Hardcover, $17.50; Paper, $7.95.

NOTRIK Press

P.O. Box 5190, Stanford, CA 94305

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Two new titles in
STUDIES IN INTERNATIONAL ECONOMY
Stephen Krasner, General Editor

Structural Conflict
The Third World Against Global Liberalism
STEPHEN D. KRASNER
"This is the most important book on North-South relations which I have read. It argues an important political position with theoretical sophistication and respect for empirical evidence. This book will be read and cited by political scientists for years. It will also be required and controversial reading in the broader community debating American foreign policy and the future of the international system."—Peter Katzenstein $24.95 *cloth*, $8.95 *paper*

Standing Guard
Protecting Foreign Capital in the Nineteenth and Twentieth Centuries
CHARLES LIPSON
"Lipson confronts an issue of great theoretical and political importance. . . . International relations and comparative politics mix here in ways which illuminate debates about state structure, the domestic sources of foreign policy, the formation of public policy, and the development of the international system."
—Peter Gourevitch
"A superb study. . . theoretically sophisticated and historically rich."—Robert O. Keohane
$34.95 cloth, $11.95 paper

At bookstores or order from
University of California Press • Berkeley 94720

Black Box
KAL 007 and the Superpowers
ALEXANDER DALLIN
"The downing of KAL flight 007 was a human tragedy of gruesome proportions and a political event of immense significance, since it interrupted and for a long time reversed the Reagan administration's effort to improve Soviet-American relations. In Alexander Dallin's *Black Box*, that dramatic episode has found a superb chronicler. Professor Dallin not only tells the tale with narrative skill; he analyzes the background and the consequences of the event with great insight. This book is an inspiring example of what can happen when the craft of an historian and scholar is brought to bear on contemporary affairs."
—Strobe Talbott $14.95

At bookstores or order from
University of California Press • Berkeley 94720

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

國際關係硏究

THE KOREAN INSTITUTE OF INTERNATIONAL STUDIES

The Korean Institute of International Studies is a non-profit independent academic body, founded in 1965, aimed at promoting multinational and interdisciplinary research in the fields of peace and development. KIIS endeavors, through publications, meetings, seminars, conferences, joint research projects and exchange programs with institutes abroad, to encourage discussion and cooperation among researchers both within and outside of the country, and to effectively contribute to the study of peace and development.

The Korean Journal of International Studies

Publisher & Editor: Chong-Ki Choi

An English-language quarterly founded in 1970, the *Journal* includes articles by both Korean and overseas specialists, review articles and source materials.

- **Submission of Manuscripts:** The *Journal* welcomes the submission of manuscripts on all aspects of contemporary international affairs. Manuscripts typed in double space should be submitted to the Editorial Board.
- **Exchange Program:** The *Journal* welcomes regular exchange with academic periodicals on international relations and related fields.
- **Subscription:** Institutes and libraries U.S. $35 a year; individuals U.S. $32 a year. Foreign currency at the official rate will be accepted.
- **Back Issues:** Back issues are available at U.S. $9.00 a copy.

Contributors to the *Journal* include

C.F. Alger, W.J. Barnds, A.D. Barnett, Z. Brzezinski, J.W. Burton, J. Galtung, M. Haas, D. Hellmann, K.J. Holsti, G.K. Kindermann, L.W. Pye, E.O. Reischauer, R.A. Scalapino, D. Senghaas, J.D. Singer, G.C. Smith, N. White, A.S. Whiting, J.A. Yager, D.S. Zagoria.

The Korean Institute of International Studies
K.P.O. Box 426, Seoul, Korea
Cable Address: 1234 Seoul, Korea; Tel. 752-7727, 7728, 28-7726

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Armed Forces and Society

An Interdisciplinary Journal

Official Journal of the Inter-University Seminar on Armed Forces and Society

BOARD OF EDITORS

RAYMOND ARON, *College de France*
S.E. FINER, *Oxford University*
MORRIS JANOWITZ, *University of Chicago*
JACQUES VAN DOORN, *Erasmus University, Rotterdam*

Editor:
DAVID SEGAL, *University of Maryland*

Armed Forces and Society is the quarterly journal concerned with military institutions, civil-military relations, arms control and peacekeeping, and conflict management. Focusing on historical, comparative, and interdisciplinary perspectives, **Armed Forces and Society** has established an international reputation for scholarly analysis of enduring value. . .as well as for the ability to probe and debate the controversial issues of civil-military relations and the role of the military in the world. Among the topics recently discussed in this leading journal are:

- military spending
- women in the military
- the U.S. All Volunteer Force
- national security policies
- links between oil wealth and international arms races

Armed Forces and Society is the official publication of the Inter-University Seminar on Armed Forces and Society, an international forum for scholars and practitioners in military affairs, history and the social sciences. The Fellows of the IUS receive the journal at no charge.

Frequency: Quarterly in November, February, May, August

Rates:	*One Year*	*Two Years*	*Three Years*	*Single Issues*
Individual	**$22**	**$43**	**$64**	**$6.00**
Institutional	**$50**	**$99**	**$148**	**$11.50**

On subscriptions outside the U.S., add $4 per year for foreign postage.
Subscription rates subject to change without notice.

SAGE PUBLICATIONS
The Publishers of Professional Social Science
275 South Beverly Drive Beverly Hills, California 90212

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ASIAN PERSPECTIVE

A Biannual Journal of Regional & International Affairs

published by

The Institute for Far Eastern Studies
Kyungnam University

Publisher & Editor: Jae Kyu Park

Titles of Recent and Up-Coming Articles:

Canada, Korea, and the Pacific Community
Korean Ocean Transportation and Sea Lanes of Communication
Trade Potential and Issues in East Asia
The Law of Unintended Consequences: Hong Kong 1997 and Beyond
Recognizing Complexity in Eastern Europe: A Case for a Policy of Differentiation Among Communist States
The Security Environment of the Korean Peninsula in the 1980s
U.S.-China Relations and the Security of Korea
Probe for an Alternative Strategy of Conflict Resolution in the Korean Peninsula
Book Review

Asian Perspective publishes distinguished articles on important foreign policy issues of Korea and other Asian countries. The exchange of ideas and scholarly findings among the students of Asian affairs is the primary objective of this journal.

Articles for publication should be submitted in duplicate

Subscription Rates:

* one year US$8.00 (by surface-mail)
* one year US$12.00 (by airmail)
* two years US$15.00 (by surface-mail)
* two years US$23.00 (by airmail)

Orders to:

The Institute for Far Eastern Studies, Kyungnam University
28-42 Samchung-dong,
Chongro-ku, Seoul, 110
Korea

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

UNIVERSITY OF DENVER

Graduate School of International Studies • Denver, Colorado 80208-0280

MONOGRAPH SERIES IN WORLD AFFAIRS

Published quarterly since 1963, the Series focuses on theoretic developments and research results dealing with current issues in international relations.

THE POLITICS OF INDEBTED ECONOMIC GROWTH
John R. Freeman

A critical and theoretical examination of government policies to promote indirect investment in Third World countries. With reference to Latin America, the study concludes that these policies create dependence on foreign sources of capital.

OUTCAST STATES IN THE WORLD COMMUNITY
Efraim Inbar

A look at Israel, South Africa, Taiwan and South Korea in the context of regional politicide campaigns against them. The author evaluates the way outcast status affects the national security of these states and suggests strategies to alleviate this condition.

DETERRENCE AND ARMS CONTROL: AMERICAN AND WEST GERMAN PERSPECTIVES ON INF
J. I. Coffey

Examines the NATO decision of 1979 to deploy intermediate range nuclear forces in Europe. American and West German elite opinions on arms control and missile deployment are analyzed.

REGIME CHANGE AND THE COHERENCE OF EUROPEAN GOVERNMENTS
Mark Irving Lichbach

Tests arguments about historical sequences toward democracy and bureaucracy using 19th- and 20th-century European and Anglo-American governments.

$6.95 each. Add $.75 postage, plus $.25 each additional book.
Subscriptions (4 issues/yr): $24/yr U.S., Canada, Mexico; $28/yr Foreign.
Special Offer: 73 books - $150.00 + postage.

Name _____

Address _____

City _____

State _____ Zip _____

Telephone orders: (303) 871-2555

☐ Payment enclosed $_____
To *Monograph Series in World Affairs*

☐ Bill me

☐ Charge to credit card (MC, VISA only):

#_____
Exp. Dt.

_____
Signature

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

INDEX TO VOLUME XXXVII

Anderson, Irvine H., *Aramco, the United States and Saudi Arabia: A Study of the Dynamics of Foreign Oil Policy*, reviewed by Lawrence P. Frank, IV:586

Appropriate Technology and Social Values: A Critical Appraisal, by Franklin Long and Alexandra Oleson, reviewed by Kazimierz Z. Poznanski, I:134

Aramco, the United States and Saudi Arabia: A Study of the Dynamics of Foreign Oil Policy, by Irvine H. Anderson, reviewed by Lawrence P. Frank, IV:586

Armstrong, John A., *Nations Before Nationalism*, reviewed by Arthur N. Waldron, III:416

Ash, Timothy Garton, *The Polish Revolution: Solidarity*, reviewed by Richard Spielman, IV:562

Bakhash, Shaul, The Persian Gulf, IV:599

Baram, Philip J., *The Department of State in the Middle East, 1919-1945*, reviewed by Lawrence P. Frank, IV:586

Betts, Richard K., Conventional Deterrence: Predictive Uncertainty and Policy Confidence, II:153

Bohi, Douglas R., and William B. Quandt, *Energy Security in the 1980s: Economic and Political Perspectives*, reviewed by Shaul Bakhash, IV:599

brigade accounting, in China, *see* Zweig

Britain, Middle Eastern oil regimes, *see* Frank

Burg, Steven L., Muslim Cadres and Soviet Political Development: Reflections from a Comparative Perspective, I:24

Brzezinski, Zbigniew, *Power and Principle: Memoirs of the National Security Adviser 1977-1981*, reviewed by Henry Trofimenko, III:403

Caveat: Realism, Reagan, and Foreign Policy, by Alexander M. Haig, Jr., reviewed by Henry Trofimenko, III:403

China: brigade accounting, policy implications, *see* Zweig; clientelism, *see* Oi; *Neibu* literature, scholarship on Soviet Union, *see* Rozman

China's Soviet Watchers in the 1980s: A New Era in Scholarship, by Gilbert Rozman, IV:435

Chubin, Shahram, ed., *Security in the Persian Gulf I: Domestic Political Factors*, reviewed by Shaul Bakhash, IV:599

Chubin, Shahram, *Security in the Persian Gulf IV: The Role of Outside Powers*, reviewed by Shaul Bakhash, IV:599

church-state relationship, in East Germany, *see* Goeckel

clientelism, in China, *see* Oi

Communism and Clientelism: Rural Politics in China, by Jean C. Oi, II:238

communist regimes, and dissent, *see* Ramet

Conventional Deterrence: Predictive Uncertainty and Policy Confidence, by Richard K. Betts, II:153

Cottrell, Alvin J., ed., *The Persian Gulf States: A General Survey*, reviewed by Shaul Bakhash, IV:599

Crawford, Beverly, and Stefanie Lenway, Decision Modes and International Regime Change: Western Collaboration on East-West Trade, III:375

Decision Modes and International Regime Change: Western Collaboration on East-West Trade, by Beverly Crawford and Stefanie Lenway, III:375

Department of State in the Middle East, 1919-1945, by Philip J. Baram, reviewed by Lawrence P. Frank, IV:586

dependency school, *see* Smith; arguments, *see* Poznanski

developing countries, and technology, *see* Poznanski

development, political: Soviet Union and Yugoslavia, *see* Burg

developmentalism, *see* Smith

deterrence, *see* Betts

Disaffection and Dissent in East Germany, by Pedro Ramet, I:85

East Germany: dissent, *see* Ramet; church-state relationship, *see* Goeckel

Eastern Europe, economic production, *see* Pryor

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economic affairs, international cooperation, *see* Lipson
economic warfare, *see* Mastanduno
Eighteenth Brumaire of General Wojciech Jaruzelski, The, by Richard Spielman, IV:562
embargo, strategic, *see* Mastanduno
Energy Security in the 1980s: Economic and Political Perspectives, by Douglas R. Bohi and William B. Quandt, reviewed by Shaul Bakhash, IV:599
European Protectionism in Theory and Practice, by Miles Kahler, IV:475
export control strategies, *see* Mastanduno

First Oil Regime, The, by Lawrence P. Frank, IV:586
foreign investment, U.S., *see* Gowa
Frank, Lawrence P., The First Oil Regime, IV:586
free-trade ideology, Europe, *see* Kahler

Gellner, Ernest, *Nations and Nationalism*, reviewed by Arthur N. Waldron, III:416
Goeckel, Robert F., The Luther Anniversary in East Germany, I:112
Gowa, Joanne, Subsidizing American Corporate Expansion Abroad: Pitfalls in the Analysis of Public and Private Power, II:180
Growth and Fluctuations of Production in O.E.C.D. and East European Countries, by Frederic L. Pryor, II:204

Haig, Alexander M., Jr., *Caveat: Realism, Reagan, and Foreign Policy*, reviewed by Henry Trofimenko, III:403
Hard Choices: Critical Years in American Foreign Policy, by Cyrus Vance, reviewed by Henry Trofimenko, III:403

International Cooperation in Economic and Security Affairs, by Charles Lipson, I:1

Kahler, Miles, European Protectionism in Theory and Practice, IV:475

Lenway, Stefanie, and Beverly Crawford, Decision Modes and International Regime Change: Western Collaboration on East-West Trade, III:375
Levy, Jack S., Theories of General War, III:344
linkage, tactical, *see* Mastanduno
Lipson, Charles, International Cooperation in Economic and Security Affairs, I:1
Litwak, Robert, *Security in the Persian Gulf II: Sources of Inter-State Conflict*, reviewed by Shaul Bakhash, IV:599
Long, Franklin, and Alexandra Oleson, *Appropriate Technology and Social Values: A Critical Appraisal*, reviewed by Kazimierz Z. Poznanski, I:134
Luther Anniversary in East Germany, The, by Robert F. Goeckel, I:112

MacFarlane, S. Neil, The Soviet Conception of Regional Security, III:295
Mansfield, Peter, *The New Arabians*, reviewed by Shaul Bakhash, IV:599
Mastanduno, Michael, Strategies of Economic Containment: U.S. Trade Relations with the Soviet Union, IV:503
McClintock, Cynthia, Why Peasants Rebel: The Case of Peru's Sendero Luminoso, I:48
McConnell, James M., Shifts in Soviet Views on the Proper Focus of Military Development, III:317
Middle East: oil, *see* Frank, Bakhash; stability and instability, *see* Bakhash
military development, Soviet Union, *see* McConnell
multinational corporations, *see* Gowa, Poznanski
Muslim Cadres and Soviet Political Development: Reflections from a Comparative Perspective, by Steven L. Burg, I:24
Mytelka, Lynn K., *Regional Development in a Global Economy: The Multinational Corporation, Technology, and Andean Integration*, reviewed by Kazimierz Z. Poznanski, I:134

nationalism, *see* Waldron
Nations and Nationalism, by Ernest Gellner, reviewed by Arthur N. Waldron, III:416
Nations Before Nationalism, by John A. Armstrong, reviewed by Arthur N. Waldron, III:416
NATO: *see* Betts; trade, *see* Crawford and Lenway
New Arabians, by Peter Mansfield, reviewed by Shaul Bakhash, IV:599
Niblock, Tim, ed., *State, Society and Economy in Saudi Arabia*, reviewed by Shaul Bakhash, IV:599

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

O.E.C.D., production, *see* Pryor
Oi, Jean C., Communism and Clientelism: Rural Politics in China, II:238
oil regimes, Britain, U.S., *see* Frank
Oil, War and American Security: The Search for a National Policy on Foreign Oil, 1941-1947, by Michael P. Stoff, reviewed by Lawrence P. Frank, IV:586
Oleson, Alexandra, and Franklin Long, *Appropriate Technology and Social Values: A Critical Appraisal*, reviewed by Kazimierz Z. Poznanski, I:134

participation, political, Soviet Union and Yugoslavia, *see* Burg
peasant revolution, *see* McClintock
Persian Gulf, The, by Shaul Bakhash, IV:599
Persian Gulf States: A General Survey, by Alvin J. Cottrell, reviewed by Shaul Bakhash, IV:599
Peru, revolution, *see* McClintock
Plascov, Avi, *Security in the Persian Gulf III: Modernization, Political Development and Stability*, reviewed by Shaul Bakhash, IV:599
Poland, *see* Spielman
Poland's Self-Limiting Revolution, by Jadwiga Staniszkis, reviewed by Richard Spielman, IV:562
Polish Revolution: Solidarity, by Timothy Garton Ash, reviewed by Richard Spielman, IV:562
Power and Principle: Memoirs of the National Security Adviser, 1977-1981, by Zbigniew Brzezinski, reviewed by Henry Trofimenko, III:403
Poznanski, Kazimierz Z., Technology Transfer: West-South Perspective, I:134
protectionism, *see* Kahler
Pryor, Frederic L., Growth and Fluctuations of Production in O.E.C.D. and East European Countries, II:204

Quandt, William B., and Douglas R. Bohi, *Energy Security in the 1980s: Economic and Political Perspectives*, reviewed by Shaul Bakhash, IV:599
Quest for Self-Determination, by Dov Ronen, reviewed by Arthur N. Waldron, III:416

Rakowski, Mieczyslaw, *Rzeczpospolita na progu lat osiemdziesiatych* [The Republic on the Threshold of the 1980s], reviewed by Richard Spielman, IV:562
Ramet, Pedro, Disaffection and Dissent in East Germany, I:85
Regional Development in a Global Economy: The Multinational Corporation, Technology, and Andean Integration, by Lynn K. Mytelka, reviewed by Kazimierz Z. Poznanski, I:134
Requiem or New Agenda for Third World Studies? by Tony Smith, IV:532
revolution, peasant, *see* McClintock
Ronen, Dov, *The Quest for Self-Determination*, reviewed by Arthur N. Waldron, III:416
Rosenblatt, Samuel M., ed., *Technology and Economic Development: A Realistic Perspective*, reviewed by Kazimierz Z. Poznanski, I:134
Rozman, Gilbert, China's Soviet Watchers in the 1980s: A New Era in Scholarship, IV:435
rule systems, international, *see* Lipson
Rzeczpospolita na progu lat osiemdziesiatych [The Republic on the Threshold of the 1980s], by Mieczyslaw Rakowski, reviewed by Richard Spielman, IV:562

Sagasti, Francisco R., *Technology, Planning, and Self-Reliant Development: A Latin American View*, reviewed by Kazimierz Z. Poznanski, I:134
sanctions, economic, *see* Mastanduno
security affairs, *see* Lipson
Security in the Persian Gulf I: Domestic Political Factors, by Chubin Shahram, ed., reviewed by Shaul Bakhash, IV:599
Security in the Persian Gulf II: Sources of Inter-State Conflict, by Robert Litwak, reviewed by Shaul Bakhash, IV:599
Security in the Persian Gulf III: Modernization, Political Development and Stability, by Avi Plascov, reviewed by Shaul Bakhash, IV:599
Security in the Persian Gulf IV: The Role of Outside Powers, by Shahram Chubin, reviewed by Shaul Bakhash, IV:599
security: international cooperation, *see* Lipson; military, *see* Levy; regional, *see* MacFarlane
Sendero Luminoso, *see* McClintock
Shifts in Soviet Views on the Proper Focus of Military Development, by James M. McConnell, III:317
Smith, Tony, Requiem or New Agenda for Third World Studies? IV:532

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Solidarity, *see* Spielman
Soviet Central Asia, *see* Burg
Soviet Conception of Regional Security, The, by S. Neil MacFarlane, III:295
Soviet Union: military development, *see* McConnell; political development, participation, *see* Burg; trade with U.S., *see* Crawford and Lenway, Mastanduno
Spielman, Richard, The Eighteenth Brumaire of General Wojciech Jaruzelski, IV:562
Staniszkis, Jadwiga, *Poland's Self-Limiting Revolution,* reviewed by Richard Spielman, IV:562
State, Society and Economy in Saudi Arabia, by Tim Niblock, ed., reviewed by Shaul Bakhash, IV:599
Stivers, William, *Supremacy and Oil: Iraq, Turkey and the Anglo-American World Order, 1918-1930*, reviewed by Lawrence P. Frank, IV:586
Stoff, Michael B., *Oil, War and American Security: The Search for a National Policy on Foreign Oil, 1941-1947*, reviewed by Lawrence P. Frank, IV:586
Strategies of Economic Containment: U.S. Trade Relations with the Soviet Union, by Michael Mastanduno, IV:503
Strategies of Policy Implementation: Policy "Winds" and Brigade Accounting in Rural China, 1968-1978, by David Zweig, II:267
Struggle for the Turf, by Henry Trofimenko, III:403
Subsidizing American Corporate Expansion Abroad: Pitfalls in the Analysis of Public and Private Power, by Joanne Gowa, II:180
Supremacy and Oil: Iraq, Turkey and the Anglo-American World Order, 1918-1930, by William Stivers, reviewed by Lawrence P. Frank, IV:586

Technology and Economic Development: A Realistic Perspective, by Samuel M. Rosenblatt, ed., reviewed by Kazimierz Z. Poznanski, I:134
Technology, Planning, and Self-Reliant Development: A Latin American View, by Francisco R. Sagasti, reviewed by Kazimierz Z. Poznanski, I:134
Technology Transfer: West-South Perspective, by Kazimierz Z. Poznanski, I:134
Theories of General War, by Jack S. Levy, III:344
Theories of Nationalism and Historical Explanation, by Arthur N. Waldron, III:416
Third World: development, *see* Poznanski; regional security, *see* MacFarlane; studies, *see* Smith
trade: East-West, *see* Crawford and Lenway; regimes, Europe, *see* Kahler; relations, U.S.-U.S.S.R., *see* Mastanduno
trans-Siberian pipeline dispute, *see* Crawford and Lenway
Trofimenko, Henry, Struggle for the Turf, III:403

United States: foreign investment, taxation, *see* Gowa; foreign policy, *see* Trofimenko; and Middle Eastern oil regimes, *see* Frank; trade, *see* Crawford and Lenway, Mastanduno

Vance, Cyrus, *Hard Choices: Critical Years in American Foreign Policy*, reviewed by Henry Trofimenko, III:403

Waldron, Arthur N., Theories of Nationalism and Historical Explanation, III:416
war, theories, *see* Levy
Why Peasants Rebel: The Case of Peru's Sendero Luminoso, by Cynthia McClintock, I:48

Zweig, David, Strategies of Policy Implementation: Policy "Winds" and Brigade Accounting in Rural China, 1968-1978, II:267

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

WORLD POLITICS

A Quarterly Journal of International Relations

Volume XXXVII
October 1984—July 1985

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

UNDER THE EDITORIAL SPONSORSHIP OF
CENTER OF INTERNATIONAL STUDIES
PRINCETON UNIVERSITY
PUBLISHED BY PRINCETON UNIVERSITY PRESS

EDITORIAL BOARD

KLAUS KNORR, *Chairman*

CHARLES R. BEITZ
CYRIL E. BLACK
A. JAMES GREGOR
JERRY HOUGH
AKIRA IRIYE
ROBERT JERVIS
ANTHONY KING
ERNEST R. MAY
ROBERT C. TUCKER
SAMUEL F. WELLS, JR.

Editors: HENRY S. BIENEN, CYRIL E. BLACK, RICHARD D. CHALLENER, KENNETH A. OYE, LYNN T. WHITE, III
ATUL KOHLI (*Review Articles*)
Associate Editors: NANCY BERMEO, L. CARL BROWN, STEPHEN F. COHEN, GERALD GARVEY, CHARLES ISSAWI, THOMAS R. ROCHON, PAUL E. SIGMUND, ROBERT L. TIGNOR
Executive Editor: ELSBETH G. LEWIN

The editors invite submission of articles (up to 10,000 words, including footnotes) bearing upon problems in international relations and comparative politics. Manuscripts and footnotes should be doublespaced throughout and submitted in duplicate, together with an abstract of approximately 125 words. Footnotes should only cite sources; they should be numbered consecutively and placed at the end of the manuscript. Address: WORLD POLITICS, Corwin Hall, Princeton, N.J. 08544.

Authors may expect to be notified of the editors' decision within three months from date of submission. Procedures for reviewing manuscripts are based on the anonymity of the author and the confidentiality of editors' and readers' reports. Editorial policy does not provide for informing authors of readers' evaluations or suggestions for improvement of rejected manuscripts. Statements of fact and opinion appearing in WORLD POLITICS are made on the responsibility of the authors alone and do not imply the endorsement of the editors or publishers. WORLD POLITICS does not accept manuscripts that have already been published, are scheduled for publication elsewhere, or have been simultaneously submitted to another journal.

Reprint permission: Permission to reproduce or translate material should be sought from Permissions Department, WORLD POLITICS, P.U.P., 41 William St., Princeton, N.J. 08540.

Subscriptions: WORLD POLITICS, P.U.P., 3175 Princeton Pike, Lawrenceville, N.J. 08648.

U.S. and Canada—Individuals: $16.50 per year; $26.50 for two years; $39.00 for three years. Institutions: $25.00 per year. Single copies: $7.50.

Foreign—Individuals: $20.50 per year; $33.00 for two years; $48.50 for three years. Institutions: $31.00 per year. Please add $3.50 per year for foreign postage and handling. Single copies: $9.50 plus $1.00 for postage and handling.

Back Issues: WORLD POLITICS is available in microfilm or xerographic copies from University Microfilms, Ann Arbor, Michigan 48106. Two years after publication, complete volumes are available in microfiche form from KTO Microform, Route 100, Millwood, N.Y. 10546. Individual issues in the current and two preceding volumes may be ordered from Princeton University Press, 3175 Princeton Pike, Lawrenceville, N.J. 08648.

Advertising: Advertising Dept., Princeton University Press, 41 William St., Princeton, N.J. 08540.

WORLD POLITICS is indexed by *ABC POL SCI, Book Review Index, Combined Retrospective Index Sets (CRIS), Combined Retrospective Index to Book Reviews in Scholarly Journals, 1886-1974 (RSJ), PAIS Bulletin, Social Science Index*, and *Monthly Periodical Index*; it is abstracted and indexed in *United States Political Science Documents, International Bibliography of Periodical Literature (IBZ)*, and *International Bibliography of Book Reviews (IBR)*. Abstracts of articles also appear in *Book Review Digest, Historical Abstracts*, and *International Political Science Abstracts*.

Copyright © 1984, 1985 by The Trustees of Princeton University

WORLD POLITICS (ISSN 0043-8871). Published quarterly by Princeton University Press, 3175 Princeton Pike, Lawrenceville, N.J. 08648. Vol. XXXVII, October 1984 – July 1985. Second Class postage paid at Trenton, N.J., and additional mailing offices. Send address changes to Princeton University Press, 3175 Princeton Pike, Lawrenceville, N.J. 08648. Printed in the United States of America by Princeton University Press.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CONTENTS

No. 1—October 1984

International Cooperation in Economic and Security Affairs	*Charles Lipson*	1
Muslim Cadres and Soviet Political Development: Reflections from a Comparative Perspective	*Steven L. Burg*	24
Why Peasants Rebel: The Case of Peru's Sendero Luminoso	*Cynthia McClintock*	48
Disaffection and Dissent in East Germany	*Pedro Ramet*	85
The Luther Anniversary in East Germany	*Robert F. Goeckel*	112
Review Article		
Technology Transfer: West-South Perspective	*Kazimierz Z. Poznanski*	134

No. 2—January 1985

Conventional Deterrence: Predictive Uncertainty and Policy Confidence	*Richard K. Betts*	153
Subsidizing American Corporate Expansion Abroad: Pitfalls in the Analysis of Public and Private Power	*Joanne Gowa*	180
Growth and Fluctuations of Production in O.E.C.D. and East European Countries	*Frederic L. Pryor*	204
Communism and Clientelism: Rural Politics in China	*Jean C. Oi*	238
Strategies of Policy Implementation: Policy "Winds" and Brigade Accounting in Rural China, 1968-1978	*David Zweig*	267

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

No. 3—April 1985

The Soviet Conception of Regional Security — *S. Neil MacFarlane* — 295
Shifts in Soviet Views on the Proper Focus of Military Development — *James M. McConnell* — 317
Theories of General War — *Jack S. Levy* — 344
Decision Modes and International Regime Change: Western Collaboration on East-West Trade — *Beverly Crawford and Stefanie Lenway* — 375

Review Articles

Struggle for the Turf — *Henry Trofimenko* — 403
Theories of Nationalism and Historical Explanation — *Arthur N. Waldron* — 416

No. 4—July 1985

China's Soviet Watchers in the 1980s: A New Era in Scholarship — *Gilbert Rozman* — 435
European Protectionism in Theory and Practice — *Miles Kahler* — 475
Strategies of Economic Containment: U.S. Trade Relations with the Soviet Union — *Michael Mastanduno* — 503
Requiem or New Agenda for Third World Studies? — *Tony Smith* — 532

Review Articles

The Eighteenth Brumaire of General Wojciech Jaruzelski — *Richard Spielman* — 562
The First Oil Regime — *Lawrence P. Frank* — 586
The Persian Gulf — *Shaul Bakhash* — 599

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

New from Princeton

Do New Leaders Make a Difference?

Executive Succession and Public Policy Under Capitalism and Socialism

Valerie Bunce

"...should influence all future discussions of such events."
—*American Political Science Review*

In a volume with special significance during the current transition in Soviet power, Professor Bunce assesses the impact of such changes in leadership on priorities in policy within the Soviet bloc and western democratic states during the post-war era. P: $8.95. C: $27.50

Forthcoming in Fall 1985

Cooperation Under Anarchy

Edited by Kenneth A. Oye

Drawing on a diverse set of historical cases in security and economic affairs, the contributors to this special issue of *World Politics* provide a unified explanation of the incidence of cooperation and conflict, and also suggest strategies to promote the emergence of cooperation.

The volume will contain the following articles: "Explaining Cooperation under Anarchy: Hypotheses and Strategies" and "The Sterling-Dollar-Franc Triangle: Monetary Diplomacy 1929-1937" by Kenneth A. Oye; "The Game *Theory* of International Politics" by Duncan Snidal; "From Balance to Concert: A Study of International Security Cooperation" by Robert Jervis; "Why Cooperation Failed in 1914" by Stephen Van Evera; "Arms Races and Cooperation" by George W. Downs, David M. Rocke, and Randolph M. Siverson; "Trade Wars: A Comparative Study of Anglo-Hanse, Franco-Italian, and Hawley-Smoot Conflicts" by John Conybeare; "Bankers' Dilemmas: Private Cooperation in Rescheduling Sovereign Debts" by Charles Lipson; and "Achieving Cooperation under Anarchy: Strategies and Institutions" by Robert Axelrod and Robert O. Keohane.
P: $8.95. C: $27.50

Write for our new Social Sciences Catalog

Princeton University Press
41 William Street, Princeton, NJ 08540

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED